

**A MEETING OF THE
BOROUGH OF TELFORD & WREKIN**

Will be held at The Place, Oakengates, Telford TF2 6ET

on THURSDAY, 3 MARCH 2016 at 6.30 pm

**All Members are summoned to attend for the transaction
of the under mentioned business**



Assistant Director: Legal, Procurement & Commissioning

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a disclosable pecuniary interest and should leave the room prior to commencement of that item

3. MINUTES OF THE COUNCIL

To confirm the minutes of the Council held on 21 January 2016

**Appendix A
White
Pages 5 - 11**

4. LEADER'S REPORT & ANNOUNCEMENTS

The Leader of the Council may give an oral report on matters of significance to the Borough, comment upon the Cabinet decisions or make any announcements.

5.	MAYOR'S ANNOUNCEMENTS	Appendix B White Pages 12 - 13
	To note the Mayoral Engagements undertaken since the Council meeting held on 21 January 2016.	
6.	PUBLIC QUESTIONS	
	To receive any questions from the public which have been submitted under Council Procedure Rules 7.11 and 7.12. The session will last no more than 15 minutes with a maximum of 2 minutes allowed for each question and answer. Questions can be asked of The Leader and Cabinet Members.	
	None Received	
7.	CABINET DECISIONS MADE SINCE THE LAST MEETING OF THE COUNCIL	Appendix C White Pages 14 - 17
	To receive the report on the Cabinet decisions made since publication of the last Council meeting agenda. Cabinet Members may speak on these decisions and Members may ask questions of the relevant Cabinet Member for the purposes of clarification only. Members are asked to note the additional delegations to officers granted at those meetings.	
8.	RECOMMENDATIONS FROM CABINET	Appendix D Yellow (To Follow)
	<u>Cabinet – 25 February 2016</u>	
	(i) <u>Telford Land Deal</u>	
	Recommended –	
	a) That Council delegates authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Members for Finance & Service Delivery and Business, Neighbourhood & Customer Services, to finalise the terms for the Land Deal;	
	b) That Council delegates authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Finance & Service Delivery, to enter into an agreement for the transfer of HCA liability sites to the Council's ownership where costs are within the changes to the capital programme and revenue budget sought by this Report, this includes £18k towards revenue costs of managing liability sites;	

c) That Council enters into the Land Deal and all the implications of this including the approval of necessary changes to the capital programme and revenue budget to facilitate the Land Deal as outlined in this report;

d) That Council delegates authority to the Assistant Director: Legal, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

9. SERVICE & FINANCIAL PLANNING 2016/17-2017/18

To consider the reports listed below which are contained within the separate Budget document enclosed with the agenda. Reports E1 to E4 will be considered by Cabinet on 25 February 2016 for recommendation to Council for approval.

- a) Overview & Revenue Budget (E1)
- b) Capital Programme (E2)
- c) 2016/17 Treasury Strategy & Treasury Update (E3)
- d) Prudential Indicators (E4)
- e) Council Tax Formal Resolution for 2016/17 (E5)

**Appendices
E1-E4
Yellow
(To Follow)**

**Appendix E5
White
(To Follow)**

Alternative budget proposals have been submitted to Council by the Conservative Group. A copy of the proposals, and the comments of the Finance & Enterprise Scrutiny Committee and the Chief Financial Officer, is enclosed separately to the agenda (to follow with the other budget papers). At the meeting, the alternative budget proposals will be moved as an amendment to the Cabinet's proposals.

10. MINUTES OF BOARDS & COMMITTEES

Salmon Paper

To note the following resolved and draft Minutes:

Audit Committee – 26 January 2016

**Appendix F
Pages 18 - 28**

Finance & Enterprise Scrutiny Committee - 6,13 & 19 January 2016

**Appendices
G1-G3
Pages 29 - 61**

Licensing Committee – 9 December 2015

**Appendix H
Pages 62 - 64**

Personnel Committee – 7 January 2016 & 11 February 2016
(NB: the recommendation at minute PEB-9 will be dealt with at agenda item 9 above)

**Appendices
I1- I2
Pages 65 - 68**

11. QUESTIONS

To answer questions received under Council Procedure Rule 7.

NB *In accordance with the provisions of Council Procedure Rule 7.4 there will be a maximum of 30 minutes allowed for questions and answers. Any question not answered within the 30 minute time limit will receive a written reply within 5 working days.*

12. NOTICES OF MOTION

None received

KEY

Yellow paper	Recommendations from Cabinet to Full Council
White Paper	Reports submitted direct to Full Council
Green Paper	Recommendations from Committees, Boards and Commissions requiring approval by Full Council
Salmon Paper	Resolved minutes for noting only

FILMING, RECORDING & PHOTOGRAPHY

The Council supports the principle of transparency and encourages filming, recording and taking photographs at its meetings that are open to the public. It also welcomes the use of social networking websites (such as Twitter and Facebook) and micro-blogging to communicate with people about what is happening, as it happens.

There is no requirement to notify the Council in advance, but it should be noted that the Chairman of the meeting will have absolute discretion to terminate or suspend any of these activities if, in their opinion, continuing to do so would prejudice proceedings at the meeting. Full details of the Council's protocol on audio/visual recording and photography at meetings can be accessed via the following link:

http://www.telford.gov.uk/info/20243/council_meetings/365/filming_photography_recording_and_use_of_social_networking_at_meetings

PUBLIC QUESTIONS

At each Ordinary meeting of the Council a period of **15 minutes** will be allocated for public questions. Questions can be asked of The Leader and Cabinet Members. Details of the protocol for public questions can be accessed via the following link:

http://www.telford.gov.uk/info/20243/council_meetings/364/public_questions_at_council_meetings

BOROUGH OF TELFORD & WREKIN

Minutes of the Meeting of the Borough of Telford & Wrekin held on Thursday 3 March 2016 at 6.30pm at The Place, Oakengates.

PRESENT:

Councillors J.C. Ashford, S.L. Barnes, S. Bentley, K.T. Blundell, M. Boylan, A.J. Burford, S.P. Burrell, L.D. Carter, E.A. Clare, G.H. Cook, S. Davies, N.A. Dugmore, A.J. Eade, A.R.H. England, N.A.M. England, R.C. Evans, I.T.W. Fletcher, V.A. Fletcher, J.A. Francis, C.A. Furnival, K.R. Guy, M.B. Hosken, J. Jones, R.T. Kiernan, A. Lawrence, J. Loveridge, N.C. Lowery, C.N. Mason, A.D. McClements, A.A. Meredith, J.C. Minor, C.P.R. Mollett, L.A. Murray (Mayor), T.J. Nelson R.A. Overton, J. Pinter, G.C.W. Reynolds, S.A.W. Reynolds, S.J. Reynolds, H. Rhodes, K.S. Sahota (Leader), J.M. Seymour, P.J. Scott, R.J. Sloan, C.F. Smith (Speaker), M.J. Smith, B.D. Tillotson, K.L. Tomlinson, W.L. Tomlinson, C.R. Turley, P.R. Watling and D.G. Wright

72. MINUTES OF THE COUNCIL

RESOLVED – that the minutes of the Council Meeting held on 21 January 2016 be confirmed and signed by the Mayor.

73. APOLOGIES FOR ABSENCE

Councillors E.J. Carter and E.J. Greenaway,

74. DECLARATIONS OF INTEREST

None.

75. LEADER'S REPORT & ANNOUNCEMENTS

Leader's Report

The Leader reported on various matters including the recent Budget consultation which had resulted in over 4,000 responses. He pointed out that the Council was in consultation with the public, partners and Parish councils and had listened to responses by making a number of adaptations to the original proposals. A number of Parish councils had taken over Library services in their areas, enabling those services to be kept open for the public. More than 60% of people responding to the consultation had supported the principle of increasing Council Tax by at least 3.2%, including the government agreed 2% increase for Adult Social Care. The proposed increase was still one of the lowest rises in the Midlands.

The Telford Land Deal report, which would be discussed later in the meeting, would provide 2,800 new homes, 8,500 new jobs and up to £44.5m investment into the local area. The Council would continue to work collaboratively with partners to attract businesses and visitors to the town.

76. MAYOR'S ANNOUNCEMENTS

The Mayor reported on a number of engagements that he had attended since the last meeting of the Council. He thanked his fellow councillors for their support. His charitable fund stood at over £6k and his aim was to collect £12k by the end of the Civic year for his designated charities, Samaritans, MS Society and Wellington Cottage Care.

77. PUBLIC QUESTIONS

No questions were received.

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

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

A number of questions were raised regarding item 2.1.1 on the report on matters determined by Cabinet, Pride in Your High Streets and Local Centres.

Councillor S Davies, Cabinet Member: Business, Neighbourhood & Customer Services welcomed support for the scheme, investment in the Borough's High Streets and District centres was vital for the town. He confirmed that applications had been subject to due diligence with an Independent panel being appointed to evaluate applications. Successful applications had been through a robust process and would be subject to further checks during the next evaluation phase. In answering specific queries about one of the companies with successful applications he said he would be happy to meet with councillors to discuss any concerns they may have about any applicants.

Responding to a question on road repairs in Newport, he noted that Newport was set to receive £122k for High Street improvements and that any pot hole issues should be reported by councillors in the normal way. He was disappointed that some councillors were not able to support investment in District centres. Referring to a question on the Lord Hill building, Councillor Davies explained that land adjacent the building had been sold for partly for housing development and for some car parking spaces. The proposed work would bring the building back in to use after it had remained empty and derelict for a number of years.

In response to a question on item 2.2.4, the report on Waters Upton Neighbourhood Planning Referendum, Councillor R A Overton, Cabinet Member: Housing, Public Health & Protection, agreed that if Parish councils wished to do so then they should go forward with a Neighbourhood Plan.

Councillor E A Clare, Cabinet Member: Leisure Services & Culture, responded to questions regarding item 2.2.3, the Telford & Wrekin Playing Pitch Strategy 2016. She noted that due to the unusually high level of rainfall during the year, together with high useage, some of the Council's playing pitches had suffered. But with time

and drier conditions these pitches would improve. She refuted the suggestion that unpaid volunteers were not able to maintain sports pitches to a high standard.

79. RECOMMENDATIONS FROM CABINET

i) Telford Land Deal

Councillor S Davies, Cabinet Member: Business, Neighbourhood & Customer Services presented the report of the Assistant Director: Business, Development & Employment, which sought approval for a deal with the Homes & Communities Agency (HCA) whereby the Council would take responsibility for marketing and selling all HCA's employment land in Telford for the next 10 years. HCA was an agency for the Department of Communities and Local Government. The government were committed to allow the Borough to share in the receipts from this land on the basis that by investing into preparing these sites for the market they would be sold at a higher market value than anticipated by HCA.

Over ten years the deal aimed to generate:

- 2,800 new home
- 8,500 new jobs
- 300,000 square foot new employment area
- Up to £44.5m investment into the local area for new infrastructure to support growth
- A potential £6m per annum in Council Tax and Business Rates by the end of the programme

Councillor C A Furnival joined the meeting at 7.17 pm after being delayed.

A number of members spoke strongly in support of this initiative, citing the longer term benefits for the Borough, whilst some members raised concerns over the level of risk associated with investment.

Following a debate it was:

RESOLVED –

a) That Council delegates authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Members for Finance & Service Delivery and Business, Neighbourhood & Customer Services, to finalise the terms for the Land Deal;

b) That Council delegates authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Finance & Service Delivery, to enter into an agreement for the transfer of HCA liability sites to the Council's ownership where costs are within the changes to the capital

programme and revenue budget sought by this Report, this includes £18k towards revenue costs of managing liability sites

c) That Council enters into a Land Deal and all the implications of this including the approval of necessary changes to the capital programme and revenue budget to facilitate the Land Deal as outlined in the report

d) That Council delegates authority to the Assistant Director: Legal, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

80. SERVICE & FINANCIAL PLANNING 2016/17 – 2017/18

The Overview and Revenue Budget report set out the unprecedented pressures facing the Council. DCLG's Departmental Expenditure Limit which funded Local Government would be cut by a further 53% in cash terms during the remaining four years of this Parliament. Local Government had already faced greater cuts than almost any other part of the public sector. In addition, the cuts so far had been allocated unevenly across different council areas; those areas with the greatest deprivation had tended to see the largest cuts with the Borough being hit hard. The Council had already delivered £80m of savings, meaning £1,100 less to spend on services for each household in the Borough. The latest grant settlement meant that the Council would have to make a further £30m savings over the next two years. The Council had always sought to protect front line services as far as possible but there were now no options other than to propose some extremely difficult cuts that would impact on communities. The Council was committed to meeting the needs of vulnerable people and was increasing the budget for Adult Services and Children's Safeguarding by £3.2m in the next year.

Councillor Carter told the meeting that the Council needed to find new ways of meeting the approaching challenges and could no longer be the answer to everything. There were a number of core principles underpinning the budget which included:

- Protecting the most vulnerable
- Driving growth by attracting and retain businesses
- Protecting front line services wherever possible
- Bringing in Income and having a commercial outlook
- Continued drive for efficiencies
- Working with partners to identify innovative solutions to protect services

The Council did not want to make the proposed changes and would actively work with partner organisations wherever possible in order to identify alternative solutions to minimise the impact of the cuts. But with a further 20% cut to the government Revenue Support Grant next year it was not possible for the Council to continue to provide all of the current services. An extensive public consultation had been undertaken with a clear majority expressing a preference for a Council Tax increase over and above the 2% Adult Social Care precept assumed by the government.

Following the consultation process Cabinet had confirmed its key budget strategy proposals for 2016/17 and later years as:

- A total council tax increase of 3.2%, including implementation of the new Adult Social Care precept of 2% on council tax - as assumed by the Government. This reflected the clear majority support of respondents to the consultation for an additional council tax increase in order to help reduce the cuts to front-line services, and minimise the impact of the loss of the Government's "Council Tax Freeze Grant". This increase was lower than most other local authorities with social services responsibilities in the West Midlands, and reflected awareness of the continuing pressure on household budgets;
- Minimising cuts to priority services for vulnerable adults and children as far as possible, against a backdrop of unprecedented cuts in government funding, through good financial management and implementing the new ring-fenced Adult Social Care precept. This would allow an investment of an additional £1.62m for children's safeguarding budget and an increase of £1.65m in the budget for adult services;
- Protecting and creating jobs through an investment of over £25m to improve and develop industrial, commercial or retail facilities, and spending just under £4m over two years to roll-out Superfast Broadband to parts of the Borough where there is no broadband infrastructure.
- Investing in neighbourhoods and communities – including maintaining and improving highway and transport infrastructure, a Community Pride Fund for 2017/18, continued funding up to the end of 2018/19 for tackling key environmental issues, and an investment of £50m in Nuplace – the Council's wholly-owned housing company.
- Improving the health and wellbeing of communities and addressing health inequalities – including funding to campaign for the protection of services at the Princess Royal Hospital.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Pay Policy Statement 2016/17, analysis of base budget movements, and details of Reserves and Balances.

Following publication of the Cabinet's budget proposals in early January 2016, there had been extensive consultation via a wide range of media and settings to involve local people and groups. This included 14 road show events taking place at locations around the Borough, two formal public meetings and visits to a number of community groups. In total, 1,347 contacts were made during these events, and 788 comments/views gathered. Extensive information (including two Council produced videos) was available on the Council website, and 2,135 online survey forms were completed. The full findings/results from the consultation exercise were appended to the report.

Since the draft budget proposals were approved for consultation, the Government had issued the final settlement for 2016/17. The only change affecting Telford & Wrekin had been a reduction of £4k relating to New Homes Bonus. The Public Health grant had, as anticipated, reduced by £0.3m in 2016/17 and £0.32m in 2017/18. It was noted that the Government had allocated additional grant funding to

some; mainly Conservative-run, Councils, but Telford & Wrekin had received no additional money. Following consultation and proposals from Scrutiny some of the original proposals had been deleted from the savings proposals (eg: Creative Arts service, Town Park visitor centre opening hours, winter maintenance service), putting on hold savings proposals for the Ice Rink, Ski Slope and Transport Age UK to allow for reviews of these services and their delivery, and the reduction (or re-phasing) of some savings proposals – including for Newport Library and the environmental maintenance budget. It was also proposed to increase the budget for children's safeguarding by a further £0.2m to reflect increasing demands on the service. The reduction in the value of the savings package as a result of these changes was £246k in 2016/17 and £378k in 2017/18 and ongoing. This would be funded from the proposed 1.2% increase in Council Tax over and above the new Adult Social Care precept.

An equality impact analysis of the overall impact of the budget was appended to the report, along with environmental and economic impact assessments.

The Council's Chief Financial Officer was required to give a view on the robustness of the Council's financial strategy, including the use of balances, and this was appended to the report. This had concluded that the Council was pursuing a sound financial strategy in the context of the most prolonged and challenging financial position it had ever faced due to the combined effect of Government grant cuts and increased service pressures.

The report on the Capital Programme presented the Council's Capital Strategy for 2015/16 – 2018/19 and later years and a capital programme of £264.299m that included the proposed investments contained in the overall budget strategy. It also set out the Council's Asset Management Plan and planned building maintenance programme, particularly focusing on 2016/17, and the three year Highways and Transport capital investment programme.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2016/17. The Strategy was set within the parameters of the latest guidance and accounting standards. It was expected the Council would borrow up to £52.4m in 2016/17 based on the current capital programme plans, and would adopt a flexible approach to borrowing. The report also provided an update on the treasury management activities during 2015/16. The weighted average return on internal investments at the end of December 2015 was 0.43% compared to a benchmark return for the period of 0.30%. The report also included the Council's Minimum Revenue Provision (MRP) Statement, which had been extended to include the Public Finance Initiative Agreement and changed to reflect the way in which MRP was being charged in respect of historic borrowing. This would produce net savings in the short and medium terms.

The report on Prudential Indicators sought approval of the prudential indicators for 2016/17 to 2018/19 required under the Prudential Code of Capital Finance in Local Authorities.

Having been moved by Councillor Carter, the budget proposals were seconded by the Leader of the Council, Councillor K S Sahota.

The Council's Chief Financial Officer had certified the alternative budget proposals as likely to balance and therefore as being robust.

Councillor A J Eade, Leader of the main opposition group, responded to the budget proposals and moved an amendment in the form of his group's alternative budget proposals which had been circulated as a separate appendix with the budget papers. His group agreed with a great deal of the budget proposals, there was little room for manoeuvre with existing budget constraints. However, he was critical of the approach taken by some members of the Budget & Finance Scrutiny Committee, who he believed had been adversarial and unhelpful when alternative proposals had been presented. His group supported the 2% ring fenced Council Tax increase but not any additional increase. He had concerns over the level of borrowing and the risks associated with this as well as there being no financial provision for additional secondary school places to cater for future demand. He believed that money could be levied from developers to provide funding for increasing secondary school places by 2020. Library closures were strongly opposed and he was glad to see that amendments had been made to the budget regarding Newport Library.

Councillor A Lawrence seconded the proposals which included freezing Council Tax, reducing debt levels by not proceeding with some commercial investments, reducing the number of new homes to be built in the Borough by just over 3,000, transferring £1m from one off funding set aside for Single Status, committing £0.5m to fund 78 new apprentices for one year and £0.75m to fund a project to generate additional commercial income over and above current proposals and using one-off resources of £3.429m to balance the budget. He was concerned about the proposals for borrowing and investing in what he believed to be speculative investments as income was not guaranteed, in preference, his group would create centres of excellence and generate income from selling services to other Councils and public sector bodies. He was critical of the proposal to increase Council Tax each year for the rest of the term of this Council.

Councillor W J Tomlinson, Leader of the Liberal Democrat/Independent group, sincerely hoped that when the impact of this level of government cuts became apparent over the coming years, that the current policy would be reversed. He told the meeting that the Solar Farm and Nu Place would generate around £450k income in the coming year and could not understand why the Conservative group wished to dispose of these assets. He believed that disposing of assets generating income would make it increasingly difficult to find savings. Although he believed its aims to be laudable, he was not supportive of £1m expenditure on the Pride fund as he believed that this Revenue funding would be better used to support the Adult Social Care budget. The Pride Fund should be financed from Capital funding rather than Revenue funding. His group supported the proposed 3.2% Council Tax increase. He noted that Shropshire Council, despite received additional funding following government lobbying, had already agreed to increase their Council Tax by 3.9% for the next three years, illustrating the difficult financial position most Councils were faced with.

Councillor Carter responded at the end of the debate on the amendment and a vote was then taken on the amendment (alternative budget proposals) The amendment was defeated and further debate took place on the substantive motion to approve budget recommendations in reports E1-E5. Members also considered the comments of the Budget & Finance Scrutiny Committee on the proposals which were appended to report E1.

A number of members spoke both for and against the proposed budget. Those in favour strongly opposed alternative budget proposals to dispose of projects that were generating income. These included the Solar Farm and Nu Place projects. In addition, cutting the number of houses being built would also reduce projected revenues. In particular, a number of speakers emphasised that the budget proposals were to protect services in the longer term. Members speaking against the budget proposals raised concerns over proposed borrowing and associated risks.

A vote was taken on the budget proposals in reports E1 and E4 and the proposals were carried.

In accordance with legal requirements and Council Procedure Rule 11.3 a recorded vote was taken to approve recommendations in reports E5 (Council Tax setting).

Voting was as follows:

For (28)

Councillors: Burford, L Carter, Clare, Cook, Davies, A England, N England, Evans, Guy, Jones, Loveridge, Mason, McClements, Minor, Murray, Overton, Pinter, G Reynolds, SA Reynolds, SJ Reynolds, Rhodes, Sahota, Scott, Sloan, C Smith, M Smith, Turley and Watling.

Against (21)

Councillors: Ashford, Barnes, Bentley, Boylan, Burrell, Dugmore, Eade, I Fletcher, V Fletcher, Francis, Furnival, Hosken, Kiernan, Lawrence, Lowery, Meredith, Mollett, Nelson, Seymour, Tillotson and Wright

Abstentions (3)

Councillors: Blundell, K Tomlinson and W Tomlinson

RESOLVED –

(i) Overview and Revenue Budget

- 1. To consider the feedback from consultation summarised in Appendix 17 and from Scrutiny in Appendix 15.**
- 2. To note the Impact Assessments contained in Appendices 3 and 4.**
- 3. To approve the base budget in Appendix 10.**

4. To approve a council tax increase of 3.2% for 2016/17 (including the new 2% Adult Social Care precept assumed by the Government) and a medium term strategy of increases at the same level for the three years from 2017/18 to 2019/20 to match the period of the CSR and 4 year settlement.
5. To approve the savings package detailed in Appendix 2 and the revenue pressures detailed in Appendix 2C.
6. To note the commitment to continue to work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide.
7. In order to support these discussions to approve the use of funding from the invest to Save/Capacity Fund to provide transitional funding for a Partnership Support Programme and to grant delegated authority to the Director for Customer, Neighbourhood and Well-Being Services after consultation with either the Cabinet Member for Business, Neighbourhood & Customer Services or the Cabinet Member for Council Finance and Service Delivery to agree allocations of funding from the Invest to Save/Capacity Fund to facilitate support packages in line with the principles set out in Section 19 of this report.
8. To approve the policy framework for Reserves and Balances outlined in Appendix 12.
9. To approve the revenue implications of the medium term capital programme for the period 2015/16 - 2018/19 set out in the Capital Programme report also on this agenda.
10. To note our Efficiency Strategy/ Plan contained in Appendix 18.
11. To approve the Pay Policy for 2016/17 included as Appendix 5 which has already been approved by the Personnel Committee.
12. That authority be delegated to the Assistant Director: Finance & Human Resources to action any virements required following the final allocation of the Dedicated Schools Grant and other related Education Grants as long as they are within the budget and policy framework.
13. That authority be delegated to the Assistant Director: Early Help & Support, in consultation with the Cabinet Member: Adult Social Care, to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended).
14. That the Assistant Director: Legal, Procurement & Commissioning be authorised to execute all necessary contract documentation including the affixing of the common seal of the council as appropriate to enable the council to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006.

15. To note the CFO's robustness statement in Appendix 14.

(ii) Capital Programme

1. To approve the report and associated capital estimates for 2015/16 and 2016/17 – 2018/19, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV).
2. To delegate authority to the Assistant Director: Development, Business & Employment to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Neighbourhood & Customer Services the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members.

(iii) Treasury Management

1. To note the treasury management activities for the first half year;
2. To note the Treasury Management Policy Statement (Appendix A);
3. To approve the Treasury Strategy, including the Annual Investment Strategy for 2016/17 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2015/16 onwards.

(iv) Prudential Indicators

1. To approve the prudential indicators proposed in this report as part of setting the budget for 2016/17.

(v) Council Tax Formal Resolution

1. Members are asked to approve the formal resolutions to determine the levels of Council Tax for 2016/17 as detailed in the report.

81. MINUTES OF BOARDS & COMMITTEES

Council noted the resolved and draft minutes of the following Boards and Committees:

Audit Committee	26 January 2016
Finance & Enterprise Scrutiny Committee	6,13 & 19 January 2016
Licensing Committee	9 December 2015
Personnel Committee	7 January & 11 February 2016
Planning Committee	13 January & 3 February 2016

82. QUESTIONS

None Received

83. NOTICES OF MOTION

None received

The meeting ended at 9.14 pm.

Mayor:

Date:

BOROUGH OF TELFORD & WREKIN

Minutes of the Meeting of the Borough of Telford & Wrekin held on Thursday 21 January 2016 at 6.30pm at The Place, Oakengates.

PRESENT:

Councillors J.C. Ashford, S.L. Barnes, S. Bentley, K.T. Blundell, M. Boylan, A.J. Burford, S.P. Burrell, E.J. Carter, L.D. Carter, E.A. Clare, G.H. Cook, S. Davies, N.A. Dugmore, A.J. Eade, A.R.H. England, N.A.M. England, R.C. Evans, I.T.W. Fletcher, V.A. Fletcher, J.A. Francis, C.A. Furnival, E.J. Greenaway, K.R. Guy, M.B. Hosken, J. Jones, R.T. Kiernan, A. Lawrence, J. Loveridge, N.C. Lowery, C.N. Mason, A.D. McClements, A.A. Meredith, C.P.R. Mollett, L.A. Murray (Mayor), T.J. Nelson R.A. Overton, J. Pinter, G.C.W. Reynolds, S.A.W. Reynolds, S.J. Reynolds, H. Rhodes, K.S. Sahota (Leader), P.J. Scott, R.J. Sloan, C.F. Smith (Speaker), M.J. Smith, B.D. Tillotson, K.L. Tomlinson, W.L. Tomlinson, C.R. Turley, P.R. Watling and D.G. Wright

59. MINUTES OF THE COUNCIL

RESOLVED – that the minutes of the Council Meeting held on 26 November 2015 be confirmed and signed by the Mayor.

60. APOLOGIES FOR ABSENCE

Councillors J.C. Minor and J.M. Seymour

61. DECLARATIONS OF INTEREST

None.

62. LEADER'S REPORT & ANNOUNCEMENTS

(i) Fields in Trust 'UK's Best Park Award

The Leader of the Council told Members that, on top of the recent Green Flag award Telford Town Park had recently received the prestigious 'UK's Best Park' award from Fields in Trust. The award had been based on a public vote. The Leader presented the award to Chris Pettman who received the award on behalf of the Friends of the Town Park and the Borough's staff team.

(ii) Leader's Report

The Leader reported on various matters including the ongoing Budget consultation which was due to close on 7 February. He pointed out that the Council was in consultation with the public, partners and Parish councils. This budget was more difficult than ever with the Council trying to preserve services against a backdrop of shrinking budgets. The Solar Farm was on course to make a £180k profit in its first financial year and the recent production of the pantomime Snow White at The Place

had been a great success, attracting audiences totalling 21,000. Superfast broadband had been rolled out in Doseley Road, Dawley, with more households and businesses getting access in the next few months. Twenty Pride in Your Community schemes were moving forward, benefitting local communities and Borough towns. The Leader also urged customers to contact the Council on line wherever possible in order to reduce costs, saving money and allowing vital services to be maintained. Finally, he highlighted that the Borough was leading the way on economic growth for the whole of the Marches region.

63. MAYOR'S ANNOUNCEMENTS

The Mayor reported on a number of engagements that he had attended since the last meeting of the Council. He thanked his fellow councillors for their support. From mid-November to mid-January the Mayor had undertaken 33 official engagements. He thanked the Deputy Mayor, Councillor Jane Pinter, for her hard work and support.

64. PUBLIC QUESTIONS

No questions were received.

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

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

66. RECOMMENDATIONS FROM CABINET

- i) Financial Management 2015/16
- ii) Service & Financial Planning 2016/17-2017/18

Councillor L D Carter, Cabinet Member: Council Finance & Service Delivery presented the report of the Assistant Director: Finance, Audit & Information Governance, which provided an update on progress relating to the Capital Programme. There were some new capital allocations, virements and slippage which required formal approval by Full Council as well as approval of delegated authority to approve the use of Invest to save funds to support transitional arrangements for the delivery of some services through alternative service delivery models.

£80m in budget cuts had already been made and the Council was now faced with a further £30m reduction. The Council was consulting with and working together with the public, Town and Parish councils and communities to keep services available in the long term. 32 consultation events were planned across the Borough. Nothing that Borough councillors could do regarding the government's budget settlement but proposals needed to be sustainable over time and not just for the short term. In response to a question, he replied that he looked forward to an invitation to meet

with Newport Town Council. Following a question on income, Councillor Carter pointed out that the Council was generating record income receipts and that this success was vital in order to combat reducing government grant funding.

RESOLVED –

- a) that the changes to the Capital Programme, as shown in section 1 and appendix of the report be approved.
- b) that in accordance with the Service & Financial Planning Strategy presented to Cabinet on 7 January 2016, authority to approve funding from the Invest to Save fund to support the delivery of ongoing savings from alternative service delivery models and transitional arrangements with other organisations is delegated to the Managing Director after consultation with the Cabinet Member: Council, Finance & Service Delivery
- c) In order to support the delivery of further ongoing savings, the transfer of £3m from the projected 2015/16 underspend, which largely arises from debt rescheduling, to the Invest to Save Capacity Fund and the transfer of £3m to the Severance Fund

iii) Council Tax Support Scheme

Councillor L D Carter, Cabinet Member: Council Finance & Service Delivery presented the report of the Assistant Director: Neighbourhood & Customer which recommended approval of the revised Council Tax Support Scheme for 2016/17 and the continuation of the Council Tax Hardship Policy and Fund. During a positive debate a number of members spoke strongly in support of the scheme recommendations. Consultation responses had been strongly in favour of the proposals which had also supported unanimously by Scrutiny. Following a unanimous vote it was

RESOLVED –

- a) that the Council Tax Support Scheme Policy for 2016/17 as shown at Appendix A of the report be approved
- b) that the Council Tax Hardship Policy and fund of £30,000 continues in 2016/17

iv) Telford & Wrekin Local Plan

Councillor R A Overton, Cabinet Member: Housing, Public Health & Protection presented the report of the Assistant Director: Planning Specialist which sought approval for publication of the Telford & Wrekin Local Plan and submission to the Secretary of State for independent examination in accordance with legislative requirements. A number of changes had been made to strengthen and improve the plan and to take account of local consultation. These including changes to proposals for housing development The Nedge and at the site of the former Beeches Hospital.

Regarding a point raised about development in Newport Councillor Overton noted that the Council would not extend development east of the A41 into open countryside.

RESOLVED –

- a) that the publication version of the Telford & Wrekin Local Plan and the Policies Map (in Appendices 1 & 2 of the report) be approved and published and submitted to the Secretary of State for independent examination in accordance with the relevant provisions of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012.
- b) that the Assistant Director: Planning Specialist, or any other officer authorised by him, be authorised to exercise all the Council's powers relating to the processing of the Local Plan through to adoption including all the powers under the 2012 regulations and the 2004 Act relating to preparation and submission of documents and information to the Secretary of State, the independent examination and further publication and adoption
- c) that the Assistant Director: Planning Specialist, or any other officer authorised by him, during the period between publication/submission and the end of the independent examination, to recommend to the inspector conducting the independent examination any changes to the Publication version of the Local Plan or the Policies map which the Assistant Director: Planning Specialist, or any other officer authorised by him considers appropriate in response to representations which may be received or changes in circumstances which may occur during this period.

67. SETTING OF THE COUNCIL TAX BASE 2016/17

Councillor L D Carter, Cabinet Member: Council Finance & Service Delivery presented the report of the Assistant Director: Finance & Human Resources (Chief Finance Officer) which determined the Council Tax base for General and Special Fund purposes for 2016/17.

RESOLVED –

- a) that the calculation of the tax base for 2016/17 as shown at paragraph 5.6 of the report and at Appendix 1 be approved.
- b) that, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914) , the amount calculated for Telford & Wrekin Council Tax base for 2016/17 for its Special Fund Area shall be as per the appropriate Parish amounts detailed in Appendix 1 for the parishes listed in paragraph 5.7 of the report.

68. MINUTES OF BOARDS & COMMITTEES

Council noted the resolved and draft minutes of the following Boards and Committees:

Boundary Review Committee 30th November 2015

Health & Wellbeing Board 9th September 2015

Licensing Committee 14th October, 18th November and 16th December 2015

69. QUESTIONS

The following Questions were asked in accordance with Council Procedure Rule 7:

1 Councillor P Scott asked the following question of Councillor S Davies

"Newport Library is a very well used amenity in the town. But it is not just a library. It is a First Point centre for Telford & Wrekin facilities and services, a meeting place for many local groups, an area for public consultations, a study centre for young readers, an internet area and much more. To lose this library would be a disaster for the town. Can the Leader confirm that all necessary steps will be taken to ensure that Newport retains this much need facility?"

Councillor Davies confirmed that the Council would work with all partners to save local libraries and meet with any group at any time to help bring this about.

2 Councillor E J Carter asked the following question of Councillor S Davies:

"Does the Cabinet Member for Business, Neighbourhood and Customer Services agree with me that the Newport Regeneration Partnership is the organisation which is best placed to take forward the planned "Newport Proposition" proposals in conjunction with the Borough Council?"

Councillor Davies replied that the Council would work with all partners from all sectors in an atmosphere of partnership and co-operation to take forward the proposals.

3 Councillor C Furnival asked the following question of Councillor K Sahota

"With the ever growing concerns and awareness of mental health across the country and our borough, and following a recent request from a Telford constituent, will the Leader of the Council be appointing a Member Champion to the Mental Health Challenge organisation?"

Councillor Sahota confirmed that Councillor Arnold England, Cabinet Member: Adult Social Care had been appointed to this role. He emphasised the importance of this issue and noted that this would be a key element of the Council's Health and Well Being strategy.

4 Councillor Stephen Reynolds asked the following question of Councillor R Overton, Deputy Leader and Cabinet Member: Housing, Public Health & Protection

"I note with concern the news that ShropDoc will close and the proposals are for a regional tender to replace this very vital service for our residents. Please inform us of the administration's views on the impact of these proposals on the residents of Telford & Wrekin and whether the CCG have spoken to the Council about the proposed process?"

Councillor Overton replied that this was part of a wider re-commissioning process involving NHS111 and the GP out of hours service. Telford & Wrekin CCG had informed the Council about the proposed process. The Joint Health and Overview Scrutiny Committee had considered a report on this matter on 15 December and would consider this further at their February meeting, they had asked for regular reports from Telford and Shropshire CCG's. The CCG had widely circulated a letter on this matter to councillors and the relevant officers. There was no immediate risk to the Shropdoc service. Tendering processes were extremely complex and it was likely existing arrangements would have to be extended beyond October 2016. The Council would need to keep a close eye on this process.

70. NOTICES OF MOTION

i) Councillor R T Kiernan moved, in accordance with Council Procedure Rule 8, the following Motion

"This Council notes the help given by the Shropshire Fire & Rescue Service during the recent flooding and congratulates them on their quick response and assistance selflessly given to distressed communities in the north of England."

Councillor E J Carter seconded the motion.

Following a positive debate the motion was supported unanimously.

RESOLVED - that the motion be approved

(ii) Councillor A J Eade moved, in accordance with Council Procedure Rule 8, the following Motion:

"This Council welcomes the future abolition of the uniform national business rate and the ability for Telford & Wrekin Council to retain all locally collected business Rates to the benefit of local business and the local community"

Councillor S Bentley seconded the motion.

Councillor K S Sahota moved an amendment to the motion

Councillor L D Carter seconded the amendment.

Following a debate and vote the amendment was carried and the amended motion for debate was worded as follows:

“Whilst this Council welcomes the future abolition of the uniform national business rate and the ability for Telford & Wrekin Council to retain all locally collected business Rates to the benefit of local business and the local community, this Council expresses its disappointment that this may not be introduced until 2020.”

Following a lengthy debate the motion was approved

RESOLVED - that the motion be approved

71. COUNCIL MEETING SCHEDULED FOR 5 MAY 2016

Members agreed to cancel the scheduled 5 May meeting as this clashed with the Police and Crime Commissioner Elections taking place on that day.

RESOLVED - that the scheduled 5 May council meeting be removed from the schedule of meetings

The meeting ended at 7.59 pm.

Mayor:

Date:

MAYORAL ENGAGEMENTS **8 January 2016 to 21 February 2016**

January	19	M	Newport Girl's High School Holocaust Survivor Visit at Newport Girl's High School, Newport
	20	M	Senior Citizens Open Forum at Wellington Methodist Church, Wellington
		M	Citizenship Ceremony at Register Office, Wellington Civic & Leisure Centre, Wellington
	22	M	Mayor of Shrewsbury Charity Ball at The Lord Hill Hotel, Abbey Foregate, Shrewsbury
	26	M	SSSAA John Beswick International Awards Presentation Evening at the Council Chamber, Shirehall, Shrewsbury
	27	M	Holocaust Memorial Day at The Place, Oakengates Theatre, Telford
February	3	M	Official Opening of Lawley Village Primary Academy at Lawley Village, Telford
	5	M	Southwater Event Group Dinner at the International Centre, St Quentin Gate, Telford
	6	M	Young Enterprise Trade Fair at Telford Shopping Centre
	7	M	Mayor of Shrewsbury Service in State at The Abbey, Shrewsbury
	9	M	Mayor's Charity Alternative Shrove Tuesday Dinner at Peppers, Trench, Telford
	10	M	Telford Dance Showcase 2016 at The Place, Oakengates Theatre, Telford
	11	M	Telford Tree of Light Annual Dinner & Presentation Evening at Hadley Park House Hotel, Hadley Park East, Telford
	12	M	Back in Time National Festival of LGBT

History at University Centre, Guildhall,
Frankwell Quay, Shrewsbury

13	M	Wellington Cottage Care Charity Shop Re-opening at Crown Street, Wellington
15	M	Shropshire Loves CIC Community Warehouse Opening at Unit A6 Stafford Park 15, Telford
	M	Freeman of The Gorge Parish at The Brewery Inn, Coalport, Telford
16	M	Hotshots Award Ceremony at Casey's, Cordingley Hall, Donnington, Telford
17	DM	Citizenship Ceremony at Register Office, Wellington Civic & Leisure Centre, Wellington
20	M	Hadley & District Orpheus Male Voice Choir Charity Appeal Concert at Wellington Methodist Church, Wellington

TELFORD & WREKIN COUNCIL**COUNCIL – 3 MARCH 2016****MATTERS DETERMINED BY THE CABINET****REPORT OF CABINET – FOR INFORMATION ONLY****1.0 INTRODUCTION**

This report sets out those matters determined by the Cabinet at its meetings on 28 January 2016 and 25 February 2016.

2.0 CABINET BUSINESS

Matters that have been determined by Cabinet are listed below:

2.1 28 January 2016

K	2.1.1	Pride in Your High Streets and Local Centres
NK	2.1.2	Delegation of Powers to Appoint Hackney Carriage Stands within the Borough

2.2 25 February 2016 (Subject to Cabinet Approval)

K/C	2.2.1	Financial Management 2015/16
K/C	2.2.2	Service & Financial Planning Strategy 2016/17-2017/18
K	2.2.3	Telford & Wrekin Playing Pitch Strategy 2016
NK	2.2.4	Waters Upton Neighbourhood Plan
K/C/E	2.2.5	Telford Land Deal

Key

K	= Key Decisions
NK	= Non-Key Decisions
E	= Exempt Items
PE	= Part Exempt Item
C	= Council
PC	= Part Recommendation to Council

3.0 DELEGATION OF POWERS GRANTED BY THE CABINET

REPORT HEADING	DELEGATION GRANTED TO	DETAIL OF DELEGATION GRANTED
Pride in Your High Streets and Local Centres	Assistant Director: Development, Business & Employment	In consultation with the Assistant Director: Health & Wellbeing to determine and distribute funds from the Fund to successful project applications.
Delegation of Powers to Appoint Hackney Carriage Stands within the Borough	Licensing Committee Public Protection Service Delivery Manager Principal Licensing Officers Assistant Director with responsibility for Public Protection	i) the Public Protection Service Delivery Manager and the Principal Licensing Officers to appoint any stand for hackney carriages or vary the number of hackney carriages to be at each stand in accordance with Section 63, where the Authority has not received any objections; ii) the Licensing Committee to appoint any stand for hackney carriages or vary the number of hackney carriages to be at each stand, in accordance with Section 63, where the Authority has received any objections. In consultation with the relevant Cabinet Member to take the necessary steps to revoke the Byelaws dated 17 th February 1975 made under the provisions of Section 68 of the Town Police Clauses Act 1847 and under Section 171 of the Public Health Act 1875 for Hackney Carriage Stands.

Waters Upton Neighbourhood Plan	Managing Director	To exercise all the relevant powers and duties and undertaken all necessary arrangements for the Waters Upton Neighbourhood Plan (Referendum Version) to now proceed to Referendum and for the Referendum to take place asking the question whether the voter wants Telford & Wrekin Council to use this neighbourhood plan for the Waters Upton Neighbourhood Plan area to help it decide planning applications in this neighbourhood area.
The Telford Land Deal	Assistant Director: Business, Development & Employment	In consultation with the Assistant Director: Finance & Human Resources and the Cabinet Members for Finance & Service Delivery and Business, Neighbourhood & Customer Services that Full Council grant delegated authority to finalise the terms for the Land Deal;
	Assistant Director: Business, Development & Employment	In Consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Finance & Service Delivery that Full Council delegate authority to enter into an agreement for the transfer of HCA liability sites to the Council's ownership where costs are within the changes to the capital programme and revenue budget sought by this Report, this includes £18k towards revenue costs of managing liability sites;

The Telford Land Deal	Assistant Director: Legal, Procurement & Commissioning	To seal or sign any documents required to give effect to the recommendations contained in this report.
LEGAL COMMENT FINANCIAL COMMENT LINKS WITH CORPORATE PRIORITIES RISKS AND OPPORTUNITIES ENVIRONMENTAL IMPACT EQUALITY & DIVERSITY WARD IMPLICATIONS	As described in each report considered by Cabinet. Copies of all reports have been previously circulated to all Members of the Council	

PART A EXECUTIVE SUMMARY OF TELFORD LAND DEAL

- 1.1 While the legacy of the New Town is an ample supply of development land which is a key component of the Borough's growth strategy - ownership of this land is dominated by the Homes & Communities Agency (on behalf of DCLG) leaving the Council comparatively asset poor with limited potential for capital generation. In addition the Borough's core infrastructure, all developed at the time of the New Town's establishment, is ageing, creating budgetary pressures and also threatening to constrain the Borough's potential as an inward investment destination.
- 1.2 For the first time, under the Telford Land Deal, the Borough is set to receive a share of the receipts from the sale of Government owned land in Telford to invest in our Borough.
- 1.3 This is a unique Deal between TWC and HCA/DCLG – testament to the success TWC is already achieving through its pro-business approach to winning investment and delivering new homes.
- 1.4 **Over a ten year period the Deal aims to generate:**
- **2,800 new homes**
 - **8,500 new jobs**
 - **300,000 sq ft new employment area**
 - **Up to £44.5m investment into the local area for new infrastructure to support growth**
 - **A potential £6m pa in Council Tax and Business Rates by the end of the programme**
- 1.5 The Deal will see TWC take responsibility for marketing and selling all HCA's housing and employment land in Telford for the next 10 years. The Government have committed to allow the Borough to share in the receipts from the sale of this land on the basis that by investing into preparing these sites for the market they are sold at a higher market value than anticipated by HCA.
- 1.6 Table 1 in the Main Report sets out the financial principles of the 10 year funding model – in summary this includes:

	Total (10 years) £,000
Net Expenditure funded from land receipts to be spent in Telford & Wrekin on site preparation and infrastructure to bring HCA sites to market (A)	19,225

Net expenditure – HCA and TWC resource costs (B)	3,676
Gross capital receipts from sale of HCA employment & residential land	(76,472)
Less: HCA 2015 asset valuations	30,880
Capital receipts available to fund the model (C)	(45,592)
Net uplift on capital receipts(A+B+C)	(22,691)
Profit Share to HCA (15% of the total profit share)	(3,404)
Local Profit Share (includes £2m that has to be spent on HCA 'constrained sites' and 15% to be shared with the LEP)	(19,287)

- 1.7 As the table above illustrates of the £44.5m the Borough can benefit from, roughly half will be invested into site preparation making land in the Borough more attractive to investors and developers. If we are successful the Borough will then also benefit from a share in the profits when land is sold.
- 1.8 The share of profits earned through the Deal will be invested into capital infrastructure which could include highways, employment estates or to provide further opportunities for local businesses to expand or new investors to choose to locate in the Borough – bringing more homes and jobs.
- 1.9 As TWC has worked in partnership with the Marches LEP to deliver this Deal the LEP will also benefit from a percentage of any profit share that is achieved from land sales. The LEP will invest this into the Marches Investment Fund. This is open to public and private sector organisations to bid into for gap funding to unlock development sites in Telford & Wrekin, Shropshire and Herefordshire.
- 1.10 The land deal development sites are all in line with the new Telford & Wrekin Local Plan and the new homes form part of the 15,500 homes to be delivered through that Plan.
- 1.11 As with all previous City Deals agreed by Government TWC must share in the risks of delivering this Deal as well as the potential rewards. Two key areas of risk include:
- TWC will cashflow the investment into preparing sites for the market with receipts from land sales achieved above HCA's anticipated values for sites repaying this investment. The Council will be able to manage the delivery of the programme and investment decisions to manage this risk but will be responsible for driving land sales
 - In addition over the next 12 months TWC and HCA must also reach agreement on a further deal to transfer ownership of HCA owned land which is not developable (liability sites), to the Council's ownership. Some of this land could incur costs to manage and remediate and a funding package will form part of the negotiation.
- 1.12 This is understood to be the first time this type of Deal has been done where Government land receipts can be invested into the local area rather than just into Government owned land or being retained by Treasury.
- 1.13 The Deal is a key part of the Borough's Enterprise Telford strategy to attract inward investment, increase job opportunities and strengthen existing businesses supply chain links. Being able to determine when sites are sold will allow the Borough to consider opportunities for regeneration, ensure the infrastructure required to drive growth is in place and benefit local communities through job opportunities and new homes.

- 1.14 The Deal also follows the Borough seeking non-constituent membership of the West Midlands Combined Authority and places the Borough in a stronger position to negotiate further investment linked with accommodating businesses, particularly in our main sectors e.g. automotive manufacturing, that our combined authority neighbours cannot.
- 1.15 The Main Report, that follows, provides details of the Land Deal and seeks approval to finalise the Deal and make the necessary changes to the Council's budget strategy.

PART A – TELFORD LAND DEAL - MAIN REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 While the legacy of the New Town is an ample supply of development land which is a key component of the Borough's growth strategy - ownership of this land is dominated by the Homes & Communities Agency (on behalf of DCLG) leaving the Council comparatively asset poor with limited potential for capital generation. In addition the Borough's core infrastructure, all developed at the time of the New Town's establishment, is ageing, creating budgetary pressures and also threatening to constrain the Borough's potential as an inward investment destination.
- 1.2 Following submission by TWC of a Business case and Funding Model, as part of the Marches Local Enterprise Partnership (LEP) Growth Deal, the Government have given their in principle agreement to the Telford Land Deal (the Deal), which will see up to **£44.5m land receipts from the sale of agreed Homes & Communities Agency (HCA) assets in Telford recycled back into the local area, supporting the delivery of up to 2,800 homes, 8,500 jobs and 300,000 sqm of commercial floorspace.** The Deal also offers the opportunity for the Council to take responsibility for the stewardship, marketing and disposal of all HCA land holdings in Telford. **This would see the Borough benefit from expenditure into site preparation, a share of land value uplift delivered over and above HCA profiled receipts plus council tax and business rates revenue from the additional homes and employment land.**
- 1.3 The Deal is based on a risk and reward model which will require TWC to make investment into site preparation up front, at risk, with this investment recouped from land receipts. As receipts are not guaranteed, while TWC will manage the delivery programme and be able to influence investment decisions through an established Land Deal Board, the level of upfront investment represents an element of risk to the council. TWC will also be required to invest £2m of locally retained share of the uplift in land receipts on HCA sites defined as constrained i.e. sites where the cost of remediating the sites will exceed the land receipts achieved for these sites.
- 1.4 As part of the Deal TWC will also be required to take freehold responsibility for all HCA liability sites i.e. those sites considered to have no development value and/or to incur potential costs. The Deal sets out a timeframe of 12 months to enter into a detailed dialogue around the transfer of liabilities and establish an agreed payment mechanism to support revenue and potential capital implications of sites. In the event agreement cannot be reached regarding the terms of the transfer this will trigger a review of the Land Deal and potential termination of the agreement.
- 1.5 The scale of capital and revenue benefits to the Borough over the next 10 years is significant. **It is projected that the Borough will benefit from c.£38.5m investment into de-risking and bringing residential and employment sites forward.** Of this sum £19.3m of infrastructure works will be funded using Local Growth Funding allocated to TWC from the LEP as part of the approved Growth Deal. The commitment of this funding forms part of the Council's contribution to the Deal. **In addition the Council will receive a projected c.£19.3m share of the uplift in land receipts over the 10 year programme.** This is based on TWC taking an 85% share of any uplift of which 15% will be allocated to the LEP to be distributed to LEP wide projects through the Marches Investment Fund. HCA will retain the remaining 15%. The local benefit from the Deal is capped at £44.5m, however the split between investment into infrastructure and uplift, is not prescribed. The capital investment required by site will be kept under review and where sites can be delivered at lower capital investment a greater proportion of uplift in land receipt may be delivered. **The new homes and employment land could see a further revenue benefit of c.£6m pa from additional Council Tax and Business Rates** assuming full build out, by the end of the programme.

This may be supplemented by a further income from New Homes Bonus at least in the initial years of the programme, subject to the outcome of the current consultation on changes to the New Homes Bonus scheme

- 1.6 The Report sets out how the Deal will be managed through a 3 year rolling Investment & Disposal Plan which details the sites for disposal, investment requirements and estimated uplift achieved as a result. The overall Programme is dynamic and the order of land sales may change and investment required and receipts may vary with market. The 3 Year Plan provides much greater certainty and will be reviewed annually by the Land Deal Board. **At this point the first Investment and Disposal Plan, which covers the financial years 2015/16 to 2018/19 is projecting investment of £11m (the majority of which is Local Growth Funding which TWC is receiving via the LEP) and a potential local uplift of £5.2m over this period.**
- 1.7 In addition to the direct financial benefits, the agreement gives TWC influence over the preparation, advertising and delivery of all public land to the market enabling this to be managed on a programme basis to address opportunities for regeneration, maximise opportunities to attract inward investment and deliver new homes, ensure infrastructure required to support growth is in place and sustain and enhance local services and facilities.
- 1.8 The Report provides details of the Land Deal and seeks approval to finalise the Deal and make the necessary changes to the Council's budget strategy. This will ensure that HCA's March 2015 land values are used as the baseline. As many of these sites now have greater planning certainty through the Local Plan and planning approvals giving rise to increases in asset values, if 2016 values were used this would significantly reduce any uplift achievable. Failure to complete the Deal this financial year may also require HCA/Government to seek additional approvals to continue negotiations and would mean TWC do not benefit from land sales achieved in 2015/16.

2 RECOMMENDATIONS

- 2.1 That Full Council grant delegated authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Members for Finance & Service Delivery and Business, Neighbourhood & Customer Services to finalise the terms for the Land Deal.
- 2.2 That Full Council grant delegated authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Finance & Service Delivery to enter into an agreement for the transfer of HCA liability sites to the Council's ownership where costs are within the changes to the capital programme and revenue budget sought by this Report, this includes £18k towards revenue costs of managing liability sites
- 2.3 That Full Council approves the Council entering into the Land Deal and all the implications of this including the approval of necessary changes to the capital programme and revenue budget to facilitate the Land Deal as outlined in this report
- 2.4 That Full Council delegates authority to the Assistant Director: Legal, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

2.5 That Full Council notes that TWC will be represented on the Telford Land Deal Board by the Leader of TWC and Cabinet Member for Business, Neighbourhood & Customer Services.

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	• Protect and create jobs as part of a “business supporting, business winning council.” • Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing • Ensure that neighbourhoods are safe, clean and well maintained
	Will the proposals impact on specific groups of people?	
	Yes	Local Growth Fund and EU funding will have a positive impact across the Borough, helping to delivery new infrastructure, reduce unemployment, open up access to training, support businesses to grow and address social inequality.
TARGET COMPLETION/ DELIVERY DATE	The Deal has a commencement date of the 1 st April 2015. Government wish to sign a Deal by 31st March 2016.	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	There are significant financial implications of the HCA Land Deal and these are detailed throughout the report and specifically in section 10. In summary: The Business case and Financial Model has been reviewed and received initial approval by DCLG and The Treasury. The headline figures from this 10 year model are set out below. It should be noted that this is a dynamic programme and expenditure may vary as more detailed work is undertaken on investment required into sites and this may deliver a greater, or lesser, proportion of profit share to the local area: • Gross expenditure of £43.635m will be invested to prepare the sites and bring them to market. This sum includes costs incurred by TWC and HCA to manage the programme of investment and disposals. Gross expenditure will be part funded by £19.28m of Local Growth Fund funding. • Gross capital receipts of £76.47m will be realised by the HCA of which £30.88m (which equates to the 2015 land values for sites included in the programme) will be retained by the HCA prior to any profit sharing. • Net capital receipt incomes after expenditure will be shared 85% to TWC and 15% to HCA as Profit Share • TWC’s share of the Profit Share over the 10 years is modelled to total £19.3m – of which £2m will be ring fenced to support the bringing forward of constrained sites owned by HCA and an estimated £2.6m will be payable to The Marches LEP Investment Fund over the 10 year programme as their 15% share of net uplift • The total financial benefit that the local area can achieve from the Deal (i.e. investment into infrastructure plus share of uplift) is capped at £44.5M. A review of the Deal

		which may lead to an extension, will be triggered when profit share reaches £40m or at year 6 of the Deal. • TWC will be required to take transferred ownership of HCA residual non developable land in Telford (Liability Sites). The agreement sets out a timeframe of 12 months to enter a dialogue around transfer of liabilities to TWC subject to more detailed information on costs and an agreed funding mechanism. An initial assessment of between £3m and £3.5m has been made of the potential costs to the Council should the Liability Sites require remediation. The revenue costs of monitoring and managing the sites to mitigate the risk of remediation are estimated at £18k pa, and a budget allocation to meet these costs is requested in this report. • The development of the sites within the Deal will deliver a revenue benefit to the Council from retained council tax and business rates subject to any Finance System reset in 2019/20. This revenue benefit is not included within the figures presented within this report and so any additional income received will be a benefit to the approved revenue budget. • TWC are required to cashflow expenditure through prudential borrowing where the total expenditure in the year is more than the total uplift on land receipts. The expenditure plus borrowing costs will be carried forward to be recouped in future years. This risk will be mitigated through the programming of works through a three year Investment and Disposal Plan which will allow expenditure to be managed to ensure there is sufficient income received to meet these costs. • TWC resource costs to manage and deliver the programme are estimated to be £200k pa. Of this sum £100k pa will be funded via the model and is included in the expenditure figures above with the balance of £100k pa to be funded by TWC from existing base budgets. A diminishing figure for HCA resource costs are also included within the model. Further details of the financial elements of the Deal are included throughout the report and in section 10. JAC 150216
LEGAL ISSUES	Yes	A formal legal agreement is required to establish the arrangement described in this report between the HCA and the Council; this is described as the Funding and Cooperation Agreement. As would be expected with any agreement of this nature a number of obligations are placed on each party; the more fundamental of which are detailed in this report. In addition though it should be noted that due to the timescales required to meet the DCLG deadline the agreement is not yet finalised and therefore there may be some amendments prior to signature. The Council has the power to enter into the Funding and Cooperation Agreement as detailed in this report and also has the power to undertake the activities described within it. As with any contract there are two main potential risks to consider; procurement and state aid implications. Either of these would

		have a significant effect on this agreement and would be likely to result in forced termination if a successful challenge was made. Both HCA's and the Council's legal advisors have and will continue to provide advice in these respects and will continue to keep the advice under review. The risk regarding procurement is primarily a risk for HCA and is not felt to be significant due to fact that it is considered a cooperation agreement rather than any kind of services or works contract and is therefore not subject to the EU procurement requirements of any works or services contracts. As the negotiations have not yet been finally concluded there may be other legal issues and risks which will need to be addressed as the matter progresses and legal advice will continue to be provided. In addition, legal support and advice will be required during the negotiation of the liability land transfer.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	The outcome of the Land Deal provides the opportunity for strategic and local infrastructure improvements to be delivered, accelerating the delivery of new homes and jobs. The retention of a share of the land receipts from HCA land assets offers the opportunity for reinvestment into the delivery of further sites driving the delivery of growth. The Deal also provides the opportunity to ensure sites brought forward meet the needs of local communities and the Borough as a whole, and provides greater certainty that sites identified within the Local Plan for residential development will be delivered. Local management of land disposals offers the opportunity to attract more investors/business expansions and linking land deals with the Enterprise Telford offer. However while there is a commitment by HCA in the Funding & Cooperation Agreement to review the application of their current procedures through the Land Deal Board (TWC/HCA), at this point TWC's role will have to accord with many of HCA's current policies. The Land Deal is based on the devolution to the local area (TWC), of both risk and reward. HCA will receive the 2015 book values for all sites sold before net receipts are shared. On the majority of sites the actual land receipt achieved will be higher than the HCA book value due to investment into infrastructure. A further risk is the failure to dispose of the sites in accordance with the anticipated values or phasing as agreed in the IDP after the Council has incurred significant capital expenditure. This could for example arise should local or national economic factors impact on the demand for developable land.
IMPACT ON SPECIFIC WARDS	No	Borough wide impact.

PART B – ADDITIONAL INFORMATION

4. TELFORD LAND DEAL

- 4.1 On 7 July 2014 Government announced the first Growth Deals agreed with each of the 39 LEPs. As a result Telford has been allocated c. £19.3m of capital investment into strategic transport and on site infrastructure.

In addition the Government made a commitment to explore the potential for sharing land receipts from the sale of HCA assets between the HCA and Telford/Marches LEP and to the extension of the current stewardship arrangements to cover residential land disposals. This commitment represented a significant opportunity for the Borough to pursue a long held goal and reflects Government's recognition of the growth potential of Telford and its delivery track record particularly since the introduction of the Stewardship Agreement with HCA in 2011/12. The Governments commitment was further strengthened by their approval of the Business Case submitted in March 2015 and their letter of in principle agreement to the Deal dated 29 April 2015.

The offer letter set out a number of in principle commitments which have been subject to negotiation between Officers of TWC, HCA (Local and National) and DCLG/Treasury:

- To allow Telford, over the 10 years of the Deal, to recycle up to a maximum (cap) of £44.5m in land value uplift over and above the agreed minimum market value of HCA assets, back into Telford and Wrekin. This to include investment into infrastructure works on HCA sites facilitating quicker disposal for higher receipts and a share in any uplift (profit share) achieved
- To allow Telford to use profit share to support strategic infrastructure projects with £2m of this investment to be used to facilitate delivery of HCA constrained sites (see below)
- To deliver up to 2,800 homes, 8,500 jobs and 300,000 sqm of commercial floorspace.
- TWC to cashflow the model through prudential borrowing where necessary
- Establishment of a Telford Land Deal Board under which land assets would be sold through an agreed rolling Investment and Disposal Plan plan
- Local financial contribution of £19m (Local Growth Funding) to kick start the programme and a £1m resource contribution over the programme to meet staff costs

The Government also set a number of conditions including establishing a time period for a further agreement to be established (following agreement to the Deal) on the transfer of HCA liability sites to Telford and agreement around governance, to be completed prior to the deal being agreed, which have been met.

- 4.2 The Government also agreed to the principle of the LEP creating a Marches Investment Fund providing a mechanism to recycle funds from one investment into the next creating a sustainable investment model to drive further growth. This to be funded from a proportion of the locally retained profit share from the Land Deal alongside business rates uplift from the Hereford Enterprise Zone and Growing Places Fund. Under the Deal TWC has agreed to share 15% of locally retained profit share, net of £2m to be invested into HCA constrained sites, with the LEP to be paid into the Marches Investment Fund (MIF). The MIF is open to bids from across the Marches including Telford & Wrekin.

5. STRUCTURE OF THE DEAL

- 5.1 The Deal is governed by a number of key documents – to be formally signed by partners:

Funding & Cooperation Agreement signed by TWC and HCA – setting out legal and financial arrangements including aspects of costs that each party can include in the model, the approach in event of early termination and exit and the profit share mechanism – as detailed below. Linked with this are:

- **Operational Management Agreement** which sets out in detail how the investment into and disposal of land will be undertaken by TWC and, where still required, HCA.

This is based on HCA's current procedures in the main but with a commitment to the Land Deal Board (see Governance below) agreeing changes to streamline these and a reducing sum in HCA staff costs included in the funding model

- **3 Year Rolling Investment & Disposal Plan** which sets out the investment to be made into sites and site disposals and the outputs including receipts and profit share anticipated. This document will be approved on an annual basis by the Land Deal Board and form the main basis for monitoring and reporting on delivery

An Accountability & Assurance Framework signed by TWC, HCA and DCLG – setting out governance, monitoring and reporting arrangements and methodology for determining usage of local profit share.

6. THE FUNDING AND CO-OPERATION AGREEMENT (FUNDING MODEL)

Funding Model

Fundamental to the HCA Land Deal is the agreement to a Funding Model which projects over a 10 year period; what investment will be made site by site, what land receipts will be achieved, and the outputs (residential units, jobs and employment land) which will be delivered. This Model illustrates greater value for money to the Treasury than continuing with the HCA's current disposal programme due to acceleration of delivery and enhanced outputs.

For each site a detailed analysis has identified the expenditure required to mitigate developer risk and bring the site to market. Expenditure includes costs such as site preparation, addressing abnormals e.g. geotechnics, establishing on site and some off site infrastructure and fees associated with planning. These costs would normally fall to the developer increasing their costs, reducing land values and impacting on the attractiveness of the site to the market. The removal of these costs to developers also has the effect in some cases of increasing site viability and therefore the potential contributions that may be realised through S106/CIL.

For each year of the 10 year programme the Funding Model projects the land receipts to be delivered through sales of residential and employment land. The model includes HCA 2015 land values which have been fixed for the term of the programme, for each site. Under the Funding Model these will be required to be paid prior to any use of receipts to recoup any TWC or HCA expenditure. In the majority of cases the investment into mitigating risk and site preparation accelerates and/or increases the market value of the site.

The Local Growth Funding (for the Telford Growth Package and Eastern Gateway) contributes c. £19.3m towards the costs of investment in the sites. The difference between this and the total expenditure required forms the investment that TWC will be required to fund and cashflow, and which should be recouped from the distribution of land receipts in accordance with the Agreement. There is, however, no guarantee that all costs incurred by TWC will be recouped in full if costs exceed land receipts, although this risk will be mitigated through the phasing of works throughout the 10 year programme.

The Funding Model will be reconciled at the end of each financial year, and if there is a deficit – i.e. the costs incurred by TWC and HCA in accordance with the Agreement exceed the total land receipts in the year, the deficit sum will be rolled forward to the following year in the Model. The borrowing costs of cashflowing the deficit sum will be met by TWC but can be recouped in the following year via the Funding Model. Any cashflow costs incurred in managing the programme during the year will be payable by TWC.

If the end of year reconciliation demonstrates that the Funding Model is in surplus i.e. the total land receipts net of the HCA budgeted land values is more than the expenditure incurred by TWC and HCA in accordance with the Agreement, this surplus (Profit Share) will

be distributed 15% to HCA and 85% to TWC. TWC will then enter into a separate agreement with The Marches LEP to enable them to receive 15% of TWC's profit share net of £2m required to be spent on HCA constrained sites.

Profit Share

The local benefit from the Deal (expenditure plus profit share) will be received as capital funding, and will be capped at £44.5 m over the 10 years of the Deal. TWC will be required to invest their element of Profit Share into schemes that will support and/or deliver growth within the Borough, including a requirement to invest £2m of TWC Profit Share into HCA owned 'constrained sites' i.e. sites where the level of investment required will exceed the market value which will be achieved from the sale of that site. The Marches LEP will be required to invest their element of profit share via The Marches Investment Fund into schemes which meet the investment criteria of the fund and deliver outcomes in homes and/or employment contributing to the total homes/employment outcomes set out above.

Co-Investment

Government have been clear that they expect TWC to invest their own land through the Model including investing any receipts over and above budgeted values into driving growth within the Borough. It is therefore proposed that TWC will co-invest by including TWC owned sites within the Funding and Co-operation Agreement and any outputs from these sites will be attributable to the HCA Land Deal. However, all expenditure on TWC sites will be funded by the Council and not included within the Funding Model. TWC already budget for assets at market value therefore no uplift on budgeted land values is anticipated and therefore, there will be no sharing of receipts from land sales of TWC sites through the model.

Termination & Exit

The HCA Land Deal will be effective for an anticipated maximum of 10 years. The Agreement allows for the early termination of the Deal by either party in certain circumstances – such as policy changes, lack of funding for investment, changes in the market - which mean that the outcomes of the Deal can no longer be delivered. As this is a 'risk and reward' Agreement, there is no guarantee that the amount invested by TWC into HCA assets will be recouped under the terms of the Funding Model if land receipts net of the HCA budgeted values during the period of the Agreement are insufficient to cover costs. Therefore, there is a risk that at the end of the 10 years of the Agreement, or at early termination, the council will have incurred costs which cannot be recouped and may be seen as abortive as the benefit of the investment will be on HCA owed assets.

The Agreement includes an exit strategy which aims to mitigate this risk by requiring a review of the programme so that investment on sites which are unlikely to be sold during the 10 year programme can be curtailed so that costs will not exceed expenditure in the later years of the Agreement and/or consider an extension to the Deal.

The Deal does allow in the event of early termination for outstanding investment/borrowing made by TWC into infrastructure included in the agreed Investment & Disposal Plan, to be repaid by HCA in a lump sum on termination. The Agreement also allows for a 2 year 'tail' period at the end of the 10 years (or earlier termination) during which if investment has been made into sites during the 10 years (or before termination) but they are sold within 2 years of the end of the Deal for land receipts to be shared. Overage will also be shared for 2 years after the end of the 10 years or any early termination date.

The Funding and Co-operation agreement is still being finalised and the draft is subject to amendment.

7. ACCOUNTABILITY & ASSURANCE FRAMEWORK (FRAMEWORK)

The Framework sets out the Governance for the Deal and approach to programme delivery. It also sets out the methodology for determining how locally retained profit share can be invested.

Governance

The Accountability and Assurance Framework which both HCA and DCLG will sign, gives DCLG the comfort to delegate the management of the programme including allowing for planned variations in the programme and decisions regarding use of locally retained uplift to a local Governing Board – the Telford Land Deal Board. Beyond 6 monthly reports DCLG are not seeking involvement in the Board or oversight of individual decisions on expenditure.

The Telford Land Deal Board (the Board) will include 6 voting members – 2 senior representatives from HCA, 2 TWC Cabinet Members and the Chair of the LEP Board and Chair of the Telford Business Board. TWC will be represented on the Board by the Leader of the Council and the Cabinet Member for Business, Neighbourhood & Customer Services with the Deputy Leader & Cabinet Member for Housing, Public Health & Protection and the Cabinet Member for Finance & Service Delivery acting as substitutes. The Leader of the Council will Chair the Board. The Board will be responsible for agreeing and monitoring a rolling three year Investment & Disposal Plan based on the overarching programme. The Board will provide HCA with monitoring information to enable reporting to DCLG and will be used as a forum to review and adjust the delivery programme to ensure that opportunities on all sites are being maximised. The Executive Director of HCA Midlands will be one of the HCA's voting members and will operate his/her delegated land disposal powers within the Board. This is a significant flexibility agreed under the Deal removing the need for separate approvals to be sought through HCA (up to the Exec Director's delegation) on the recommendation of the Board, saving time.

The Board will also determine local investment of uplift retained locally (see below) and receive regular financial and outcomes monitoring reports.

A Land Deal Project Team including Officers from HCA and TWC will meet regularly to monitor and manage the IDP delivery reporting progress, any variations and presenting business cases for use of locally retained uplift to the Board.

Programme Delivery

Delivery of the programme is dependent on resources to effectively manage site promotion, market and proactively dispose of sites. The Funding Model includes TWC resources of £200k per year, which will be 50% part funded by TWC from base budgets with the remaining £100k per year funded as programme expenditure via the Funding Model. HCA resource costs are also included in the Funding Model, matched by 50% HCA funding through the model.

The TWC Estates & Investment Team will lead on the delivery of the Programme with additional programme management and surveyor capacity added to the team, supported by TWC finance and legal officers. Delivery of the Land Deal will be dependent upon the Council implementing the 'One Telford' approach with teams including planning, highways, engineers etc supporting delivery in a timely and coordinated manner. All opportunities for service delivery teams within TWC to benefit from this extended stewardship role e.g. through site evaluations, planning, design etc, will be maximised.

Investment of Locally Retained Profit Share

The Funding Model projects that c.£19.3m of Profit Share will be available over the 10 year programme for TWC and the Marches LEP to invest. The Government require Telford to

prove value for money from the investment of Profit Share and to show how local investment will deliver further growth in terms of new homes and jobs.

The first, draft, Investment & Disposal Plan projects c.£5.2m of locally retained profit share to be delivered over 2015/16 – 18/19. Further profit share projected at c.£19.3m in total will be delivered over the 10 year programme – but drip fed depending on the disposal programme. On this basis TWC have negotiated the need for local flexibility in the determination of schemes/investment – this will allow for schemes to be identified during the programme to support land sales and address pressures placed as a result on roads and services. The Council also has an Infrastructure Delivery Plan and Strategic Transport Plan which set out a range of investment needs required to drive growth. To enable this flexibility and enable DCLG to ‘delegate’ authority to the Local Board to determine investment the Accountability & Assurance Framework sets out a methodology using a similar value for money assessment as currently applied to proposals put forward for local growth funding, to determine investment of profit share.

Under the methodology the Land Deal Board will have the authority to determine individual business cases for TWC to make this investment. On this basis while the Land Deal Board would be the decision making Board, decisions would not need DCLG or any other Government Department approval making approval significantly quicker than current Local Growth Fund bids. This would also enable a range of investment proposals to be considered where these deliver outputs in terms of homes and jobs.

It is proposed that the £2m DCLG require to be invested from the local profit share into HCA constrained sites would need to follow the same methodology for determining investment. This ensures that all investment of local profit share will have a direct benefit to the borough. Under the Agreement TWC have until the end of year 7 to show this investment has been committed. It is recommended that the £2m is ringfenced from the initial significant profit share (anticipated in 16/17) with the net figure then split between TWC and the LEP. The use of the £2m, in the event investment into the constrained sites is not shown to offer VfM, could be considered as part of the negotiation around the funding package for liability sites or used, in the rare event, that sites are sold below HCA 2015 land values. The use of the constrained pot towards liability sites has not been agreed at this stage with DCLG or HCA.

The amount of uplift (investment plus profit share) that will be returned to the local area is capped at £44.5m. This is to ensure that Government continue to receive value for money from the model in the event that the market were to exceed current projections. In order to ensure there is still an incentive to drive out additional sales and receipts during the programme, a strategic review is built in at year 5 or if £40m uplift is reached (whichever is the soonest) when the level of the cap will be reviewed and may be amended and/or the Programme extended.

Marches LEP Investment Fund

The Telford Land Deal has been initiated as part of the overarching Marches LEP Growth Deal. The LEP will benefit in terms of outputs – homes and jobs – delivered in Telford – and may also derive supply chain benefits. In addition a principle within the Government’s response to this Deal was the establishment of a Marches Investment Fund to receive a proportion of the uplift in land values from HCA land sales retained locally.

TWC are taking all the risk in relation to the model and will also need to address the impact of growth in terms of infrastructure and services arising from the accelerated delivery of the HCA’s land assets. It has therefore been agreed between all parties that the majority of the local share of uplift be retained by TWC with 15% of net TWC Profit Share provided to the LEP to be distributed via the Marches Investment Fund. This share will only happen when all expenditure costs have been paid and £2m has been ringfenced for constrained sites, as outlined above. The Marches Investment Fund will be used to fund infrastructure to drive

additional growth across Shropshire, Herefordshire and Telford & Wrekin. On the basis of the model this is likely to be c.£2.6m over the 10 year of the programme – of which c.£500k will arise over the first IDP period 2015/16 – 18/19.

Liabilities and Clawback Arrangements

Government see this deal including all HCA land i.e. liabilities as well as assets. Initial work has been undertaken to establish the list of liabilities to be transferred and the potential risks and associated costs associated which will also transfer to TWC. The majority of liabilities (c.84%) are sub soils beneath adopted high way. These pose no capital or revenue costs to the Authority. An initial assessment has been undertaken of the remaining sites which total c.12. The list also includes a small number of ransom strips which could realise a receipt. Initial estimates of the potential costs to TWC if the liabilities become unstable and require remedial works total £3m-£3.5m, and the ongoing revenue costs of monitoring and managing the liabilities to ensure that the risks of this happening are controlled are estimated at £18k pa. This does not assume any value from the ransom strips etc. This report requests a budget allocation of £18k pa to meet these revenue costs.

As part of the Deal TWC and HCA are signing up to agreeing a mechanism and funding package for the transfer of all HCA liability sites, within 12 months of signature of the Deal. The funding mechanism may include some dowry. Failure to achieve an agreement will trigger a review of the Deal.

8. OPTIONS APPRAISAL

This is a significant Deal for the Borough incurring a range of financial and reputational risks and it is appropriate to consider a range of options including 'do nothing'. In 2011 at a point when Milton Keynes was negotiating asset transfer with HCA, TWC and HCA undertook protracted discussions around land disposal/asset transfer options. This included the following options:

- Disposal of the HCA's assets to the private sector
- A formal public/private Joint Venture between HCA, TWC and a private investor
- Transfer of HCA development assets to full TWC control
- Transfer of assets to TWC with shared TWC/HCA control over delivery
- Contractual Asset Partnership between HCA and TWC
- HCA and TWC informal partnership delivery (i.e. current stewardship model)
- Formation of a public sector (HCA/TWC) special purpose vehicle

Following the agreement achieved with Milton Keynes, Government made clear this was a 'one off' and there was no further appetite at that time for land deals with other areas. It was estimated at that time that borrowing of c.£35m net of additional overage payments, would have been required to acquire equivalent land assets to those in the Deal programme.

In preparing the business case for this Deal the options above were reviewed. It should be noted that the acquisition of all land assets is not an option 'on the table'. But even if this option were available any land would need to be acquired at full market value i.e. considerably above the 2015 land values used as the baseline in this Deal. Such values would be significantly higher due to the progression of the new Local Plan and recent planning approvals, and would negate TWC achieving any uplift and would require any investment to bring sites forward to be funded solely by TWC. Overage would also continue to be imposed by HCA. On the basis of the options analysis and 2015 baseline values, the Deal being proposed is considered to out perform the other options.

It should also be noted that HCA are shortly to be subject to a fundamental review and restructure and there are clear pressures on the Agency to dispose of land quickly. A 'firesale' remains a constant threat denying TWC any direct financial benefit and removing

any control on managing land disposals or being able to use this land as part of the Enterprise Telford inward investment offer.

9. THE RISKS AND BENEFITS FOR TELFORD & WREKIN

The Telford Land Deal presents probably a one off opportunity for the Council to influence the disposal of the majority of public sector land assets in the Borough. The deal would see the Borough's communities benefit directly for the first time from receipts generated from the sale of HCA land assets. This includes investment into de-risking and preparing sites for disposal increasing their attractiveness to investors and developers and consequently raising land values and, subject to Board approval, potential to benefit from c.£19.3m of capital investment into infrastructure that directly supports the delivery of jobs and new homes. The Borough will also benefit from income from council tax and business rates from the 2,800 new homes and 300,000 sq m of employment land equating to up to c.8,500 jobs, delivered during the programme. These figures are based upon the agreed Funding Model and are subject to amendment as the programme is developed over the 10 years of the Deal.

Under the deal the Council will be able to manage HCA/TWC land disposals on a programme basis maximising on opportunities to deliver regeneration, ensure investment is made into infrastructure, respond to market opportunities working proactively with investors, local businesses wishing to expand and housing developers. The deal directly supports the Council's 'business supporting, business winning' agenda and increases the Borough's attraction as a destination of choice for business & leisure visitors, new residents and investors and strengthens our ability to potentially negotiate benefits through our non constituent membership of the WMCA for further infrastructure investment where we can deliver investment into the region that Black Country and other neighbours are unable to accommodate. It will also deliver new job opportunities and homes for existing residents as well as investment to support services and facilities borough wide.

The Land Deal is based on the devolution to the local area (TWC), of both risk and reward. HCA will receive the 2015 book values for all sites sold before net receipts are shared. On the majority of sites the actual land receipt achieved will be higher than the HCA book value due to investment into infrastructure. Key risks include a failure to dispose of sites in accordance with anticipated values or phasing as set out in the IDP after the Council has incurred significant capital investment upfront. While the model allows for an additional £100k to be invested into staff resource to drive the programme, other risks may be outside our control e.g. local/national economic factors impacting on demand for developable land. The Council also needs to ensure that the delivery of the Land Deal Programme does not impact on delivery of TWC capital receipts. As the majority of HCA land assets in the Deal are employment sites and TWC's assets are predominantly residential there is no direct conflict in marketing.

The Deal is predicated on delivering accelerated land sales as well as uplift. Although the FCA includes a commitment by HCA to review HCA's procedures for land disposal with the Land Deal Board with a view to streamlining them, at this point the majority of procedures are unchanged. The use of the HCA's Executive Director's delegation to dispose of land within the Land Deal Board is a positive move and HCA/DCLG share the incentive to speed up disposal and maximise profit share alongside TWC. Indications are also that HCA are looking to reduce their direct involvement in Telford as a result of the Deal.

Housing is at the top of the Government's agenda and a number of national housing delivery programmes are being developed. While HCA/DCLG have committed that the Land Deal Board will consider any proposed inclusion of sites in any national programmes to ensure this would benefit the Deal, there is a risk of major policy change e.g. at change of Government, that mean land is taken out of the model or the Deal is terminated. Already during the negotiation of this Deal we have seen 2 residential sites removed from the

Programme in order to pilot new, as yet untested delivery initiatives. Termination and exit arrangements provide some level of protection to the Council in terms of commitment to honour investment made at the point of termination where such circumstances undermine the Deal.

The transfer of ownership of HCA liability sites to TWC and the 12 months to achieve agreement on a funding package is also a risk. The Council have done some initial analysis of the liability sites which has determined some 'worst case scenario' capital costs. However further site by site work is required and there is a risk that TWC/HCA will fail to reach agreement on a funding package to underpin the transfer of liabilities. This could trigger an early review and potential termination. The £2m currently required for investment into constrained sites may, if the business case for these sites fails, provide an opportunity to mitigate this (but this is not agreed with HCA/DCLG at this stage).

10. FINANCIAL IMPLICATIONS

10.1 As detailed in this report, the Telford Land Deal will be governed by a number of Agreements. The key financial, funding and monitoring arrangements associated with the Deal are contained within the Funding and Co-operation Agreement. (see section 6).

10.2 Fundamental to the approval of the Deal is a 10 year Funding Model, which has been reviewed and approved by HCA, DCLG and the Treasury. The financial highlights of the 10 year Funding Model are summarised in Table 1 below:

Table 1 : Summary of the 10 year Funding Model

	Total (10 years) £,000
Gross expenditure- infrastructure (not including £2m on constrained sites)	38,502
Less: LEP Growth Deal funding	(19,277)
Net Expenditure – Infrastructure (A)	19,225
Gross expenditure – HCA and TWC resource costs	5,151
Less: HCA and TWC base budget funding	(1,475)
Net expenditure – HCA and TWC resource costs (B)	3,676
Gross capital receipts	(76,472)
Less: HCA 2015 asset valuations	30,880
Capital receipts available to fund the model (C)	(45,592)
Net uplift on capital receipts(A+B+C)	(22,691)
Profit Share HCA	(3,404)
Profit Share TWC(includes £2m to be spent on constrained sites and 15% share of TWC net profit share to the LEP)	(19,287)

10.3 The Deal will be managed, delivered and monitored through the approved multi year Investment and Disposal Plan. The first Investment and Disposal Plan will cover the 4 financial years 2015/16 to 2018/19, and will then be a rolling three year plan, updated annually.

The first draft Investment and Disposal Plan is being finalised and shows the projected summary financial outcomes from the Land Deal by year. The summary is presented in Table 2 below. This document is still being developed and will be amended to reflect the most up to date knowledge of sales and expenditure as these become available. Changes

to the Investment and Disposal Plan will be reported and approved by the Telford Land Deal Board. If the changes to the Investment and Disposal Plan result in changes to the approved TWC capital programme approval to the changes will be sought through the TWC Service and Financial Planning processes.

Table 2: Summary Investment & Disposal Plan 2015/16 – 2018/19

	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
Gross expenditure- infrastructure (not including £2m on constrained sites)	764	8,008	1,685	560
Less: LEP Growth Deal and LDO* funding	(550)	(6,415)	(50)	0
Net Expenditure – Infrastructure (A)	214	1,593	1,635	560
Gross expenditure – HCA and TWC resource costs	545	611	465	347
Less: HCA and TWC base budget funding	(200)	(200)	(165)	(130)
Net expenditure – HCA and TWC resource costs (B)	345	411	300	217
Gross capital receipts	(3,763)	(15,630)	(5,595)	(2,697)
Less: HCA 2015 asset valuations	3,008	9,757	2,586	871
Capital receipts available to fund the model (C)	(755)	(5,873)	(3,009)	(1,826)
Net uplift on capital receipts(A+B+C)	(195)	(3,869)	(1,074)	(1,049)
Profit Share HCA 15%	(29)	(580)	(161)	(157)
Profit Share TWC 85% (includes £2m to be spend on constrained sites and 15% share of TWC net profit share to the LEP)	(166)	(3,289)	(913)	(892)
£2m to be spend on constrained sites to be set aside		2,000		
Net Local Profit Share -TWC	(141)	(1,096)	(776)	(758)
Local Profit Share - LEP	(25)	(193)	(137)	(134)

*TWC received £150k of Government funding to undertake assessment of 3 HCA owned constrained development sites to establish their viability and potential to establish a Local Development Order (LDO) permitting certain development on the sites. This funding forms part of TWC's investment into the model.

- 10.4 The Funding and Co-operation Agreement also sets out the financial monitoring arrangements and the payment mechanism for the calculation of the flow of funds between TWC and HCA. Gross capital receipts will be paid to HCA. All infrastructure expenditure will be incurred by TWC. TWC will cashflow expenditure during each year of the programme. There will be an annual reconciliation undertaken by TWC and HCA will retain their budgeted receipt from the sites sold during the year and make a payment to TWC, upon receipt of an invoice from TWC, equal to 85% of the net capital receipts in year (after TWC and HCA expenditure and HCA budgeted receipt has been deducted). If the annual reconciliation shows that there is a deficit – i.e. the costs incurred by TWC and HCA in accordance with the Agreement exceed the total land receipts in the year, the deficit sum will be rolled forward to the following year in the Model. The borrowing costs of cashflowing the deficit sum will be met by TWC but can be recouped in the following year via the Funding Model. Any cashflow costs incurred in managing the programme during the year will be payable by TWC.

- 10.5 The Agreement will require TWC to take transferred ownership of the residual HCA Liability Sites as set out in section 7. Work to establish the nature and potential costs of the liabilities is ongoing, but initial estimates indicate that an ongoing revenue budget of £18,000 will be required for the management and monitoring of these sites. This report recommends that the revenue budget is increased by £18,000 from 2016/17 to reflect this additional responsibility.

External advice has been received on the correct VAT treatment of the Deal and the transactions between HCA and TWC. This advice is reflected within the Funding & Cooperation Agreement payment mechanism. All VAT transactions incurred by HCA and TWC will be recoverable, as both parties have 'opted to tax' the sites within the Deal.

Following approval of the Deal, TWC will enter into a separate funding agreement with the Marches LEP covering the payment mechanism, approved use and accountability and monitoring framework for the LEP's element of TWC's Profit Share. The funding agreement will aim to streamline processes, whilst maintaining accountability of public funding and ensure that funding is used to delivery employment and/or housing outputs in accordance with the requirements of the Land Deal.

Financial advice and support will continue to be provided to the project as the negotiations of the final agreement continue. Once a deal is approved robust monitoring processes will be established to ensure that the share of expenditure and income between TWC, HCA and The Marches LEP are accurately accounted for. Ongoing financial monitoring and advice will be provided in order to inform the management of the programme through the Investment and Disposal Plan to minimise financial risk, ensure that investment decisions represent value for money and that the income from land receipts is maximised.

11. PREVIOUS MINUTES

Cabinet – 11 January 2011, CB-110
Cabinet – 17 October 2013
Cabinet – March 2015
Cabinet – 25th February 2016

Report prepared by Katherine Kynaston, Assistant Director: Business, Development & Employment and Julia Copus, Finance Manager

TELFORD & WREKIN COUNCIL

COUNCIL – 3 MARCH 2016

SERVICE AND FINANCIAL PLANNING 2016/17 TO 2017/18

REPORT OF THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

LEAD MEMBERS Cllrs K. SAHOTA and L. CARTER

1. INTRODUCTION

This report seeks approval of the Service & Financial Planning strategy for the two year period 2016/17 to 2017/18 with specific budget proposals for 2016/17. This overview report, along with other linked reports on the agenda covering:-

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

form the Council's overall Medium Term Service & Financial Planning framework and proposes the service priorities and budget for 2016/17 as well as savings proposals that will be delivered over the two years 2016/17 and 2017/18 and a medium term capital programme.

The Council published its draft budget proposals for 2016/17 – 2017/18 on 5 January 2016 and they were approved at Cabinet on 7 January 2016. A one month consultation period on the Council's proposals commenced on 8 January 2016 and ended on 7 February 2016. The results of the consultation exercise are summarised in section 16 below with further information detailed in Appendix 17.

2. OVERVIEW.

In the Comprehensive Spending Review, the government announced that DCLG's Departmental Expenditure Limit which funds local government would be cut by a further 53% in cash terms (even more after the effects of inflation) during the remaining 4 years of this Parliament. During the last Parliament local government faced greater government cuts than almost all other parts of the public sector. In addition, the cuts to date been allocated in an uneven way across different council areas as can be seen in the Heatmap at Appendix 1. Those parts of the country with the greatest deprivation have tended to see the greatest cuts and Telford & Wrekin has been hit hard. The Council has already delivered £80m of savings, meaning that every year we

now have £1,100 less to spend delivering services to each household in the Borough. However, in the light of the latest grant settlement from government, the Council must make further cuts of £30m over the next two years.

The Council has always sought to protect front line services as far as possible but there are now no options other than to put forward some cuts which are extremely difficult and will impact on our communities. The Council is however committed to meeting the needs of vulnerable people and is increasing the budget for Adult Services and Children's Safeguarding by a total of over £3.2m next year to ensure that we are able to do so.

The Council does not want to make the changes that we are now making and will actively work with partner organisations wherever possible to try and seek other solutions to minimise the impacts wherever possible but in the light of a further cut of over 20% to our Revenue Support Grant from Government next year we can no longer afford to continue to do everything that we currently do. Initial discussions with other bodies have been very positive and we hope that in some cases alternative methods of delivering some of the services that we can no longer afford will be agreed.

The Council has undertaken an extensive consultation process with 14 road show events taking place across the Borough at locations where we would be able to talk to people without them having to come to a Council run consultation event. Locations included Telford Bus Station, Newport and Wellington Markets and several supermarkets across the Borough etc. We would like to thank the many external organisations that allowed us to use their premises during this process. Two public meetings were held and a range of community groups, including the Senior Citizen's Forum, The Young People's Forum, The Town & Parish Council Forum, The Business Board, Shropshire Partners in Care etc. were visited. In total we contacted approximately **1,347** people. We gathered 788 comments and views from people who attended these events.

The Council produced two videos which were available on our website, took out newspaper advertising including a four page wrap in the Telford Journal, used social media and the Cabinet Member for Council Finance & Service Delivery participated in a number of press and radio interviews in order to raise public awareness of the very difficult choices facing the Council. Extensive information was available throughout the consultation period on the Council's website including a detailed online survey form. Paper copies of this form were also available.

In total **2,135** completed surveys were returns to the Council.

People also used a number of other methods to express their views on the budget proposal. These included letters, emails, telephone calls, the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. In total **366** people provided views in this way. A further **165** people commented via social media.

The Council is very grateful to everyone who took the time to attend our consultation events or who gave their views either through the survey or one of the other channels. Many people expressed their understanding of the extremely difficult choices faced by councillors and a clear majority supported a level of council tax increase over and above the 2% Adult Social Care precept assumed by the Government.

This report sets out some very difficult choices that Councillors have had to make in the light of the continued extreme financial pressure caused by unprecedented cuts to our grant from government. The Council is having to make choices that it doesn't want to make but we have to set a balanced budget and we hope that, in the circumstances that we are in; this is a fair budget in what are extremely difficult times.

Following the consultation process, the Cabinet has confirmed its key budget strategy proposals for 2016/17 and later years as:-

3. SUMMARY

1. Implementation of the Government's new Adult Social Care precept of 2% on council tax as assumed by the Government. This additional funding must be used specifically for adult social care and detailed on the council tax bills.
2. Whilst the Council's projections assumed no increase in council tax other than from the new Adult Social Care precept, a clear majority of people who responded to the extensive consultation process expressed support for an additional increase of either 1.2% (which is in line with the former council tax freeze grants that have now been abolished by the government after having offered them for the last 5 years), or 1.9% (which is just below the Government's limit for holding a costly referendum). In response to the consultation results and in order to reduce the cuts to services, the Cabinet recommend that the Council should implement a total council tax increase of 3.2% next year (including the Adult Social Care precept) and proposes that increases at a similar level for the following three years should be implemented, subject to further consultation in later years. By 2019/20 an additional £2.7m p.a. council tax income would be generated to help reduce cuts to front line services as a result of this increase.
3. In response to the consultation a number of changes to the savings proposals included in the January service and financial planning report are recommended. These are possible due to the additional income generated from a higher council tax increase than we had assumed, making good the abolition of council tax freeze grants by the Government. Changes are detailed in Section 17 and include deleting £100,000 of the cut to environmental maintenance budgets and retention of a Council "First Point" and "community self-serve" library in Newport.
4. A commitment to continue to work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek

to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide. In order to support these discussions recommendations in this report include seeking delegated authority to the Director for Customer, Neighbourhood and Well-Being Services after consultation with either the Cabinet Member for Business, Neighbourhood & Customer Services or the Cabinet member for Council Finance & Service Delivery to agree allocations of funding from the Invest to Save/Capacity Fund to facilitate support packages in line with a set of agreed principles.

5. A second stage of consultation with service users about the implications of those proposals which have the greatest impacts prior to implementation of any new arrangements. This will ensure that alternative options are considered, impacts are understood and ways to mitigate adverse impacts are identified where they are affordable.

6. Continuing to protect the most essential services for vulnerable children and adults as far as possible. Through a long track record of sound financial management, the Council has already delivered £80m. of savings and protected front line services as far as possible. Given the scale of the Government's cuts this is now increasingly difficult. However, we are committed to meeting the needs of vulnerable children and adults and have, and will continue to, make the cuts that we need in ways that protect vulnerable people as far as possible. In 2016/17, despite the severe financial challenges that we face we are investing over £1.62m more ongoing funding into services that safeguard children and young people from harm and neglect. After implementing the Government's new "social care precept" we will increase the budget for adult services next year by £1.65m.

7. Continuing to deliver jobs and investment - to create jobs for local people and provide additional income from business rates, "New Homes Bonus" and additional council tax. This income is used to directly support existing front line Council services and reduces the cuts we would otherwise have to make.

8. It is thanks to our strong financial management and to our success in bidding for external funding (usually for specific capital projects e.g. to fund infrastructure rather than for the revenue or day to day running costs) that despite the unprecedented cuts in grants from Government, the Council can make a number of investments to support our priorities. These include:-

Protecting and creating jobs by being a 'Business Supporting, Business Winning Council'

9. Investing over £25m in the Council's Property Investment Portfolio to improve and develop industrial, commercial or retail facilities. This will support new and existing businesses, creating and protecting jobs and generating increased business rates income. It will also generate profit which will be used to help protect front line services from some of the impact of Government cuts.

10. Spending just under £4,000,000 over two years to roll-out Superfast Broadband to parts of the borough where there is no broadband

infrastructure and broadband suppliers are unlikely to invest in. By the end of 2017, this will see 98% of homes in the borough having superfast broadband coverage. This project is jointly funded between the Council, BT and the Government's Broadband Delivery programme.

Ensuring that neighbourhoods are safe, clean and well maintained

11. Maintaining and improving our highway and transport infrastructure is a critical priority for many local residents and the Council and also supports economic growth. To this end a total investment of over £50m is committed for transport and highways improvements over the medium term from 2016/17. These projects are funded by the specific capital funding that the Council has successfully bid for from the DfT, DCLG and from the Marches LEP as well as from Section 106 agreements that the Council has negotiated with developers and some funding from the Council's own capital resources.
12. Following the success of our Community Pride Fund in 2014/15, which was oversubscribed, a £1m. Community Pride Fund for 2017/18 is included in the budget proposals. Again, local organisations, communities and businesses will be able to bid for this funding.
13. A borough-wide environmental investment programme of £750,000 over 2015/16 and 2016/17 was announced last year. This is in addition to the two year £13.8m Pride in Your Community programme begun in 2014/15. The funding is helping to tackle key environmental issues that residents regularly raise and will continue investment in Parish Environmental Teams. These teams funded by Telford & Wrekin Council and the relevant town or parish council, carry out local environmental work in their area over and above work by Telford & Wrekin Council. There are currently eleven Parish Environmental Action teams in the borough providing these enhanced environmental services to residents. Funding is now available to continue supporting these teams until the end of 2018/19.

Improving the health and wellbeing of our communities and addressing health inequalities

14. Identification of funding to campaign for the protection of services at the Princess Royal Hospital.
15. We will improve the accessibility of our commissioned sexual health services with the development of a Town Centre hub.
16. We will further develop and increase the reach of our healthy lifestyle hub and health trainer service to provide holistic support for residents to improve their wellbeing.
17. Continuing to provide free swimming for under 16s.

Regenerating those neighbourhoods in need and working to ensure that local people have access to suitable housing

18. An investment of over £50m in NuPlace, the Council's wholly owned housing company. NuPlace will develop around 400 homes for rent, mainly at market rents with the profit being used to protect front-line services from cuts.

Improving local people's prospects through education and skills training

19. We will continue and complete our medium term £187m. investment to improve school infrastructure through our Building Schools for the Future programme.

Protecting and supporting our vulnerable children and adults

20. Safeguarding vulnerable children and adults is our top Council priority. We continue to ensure that services have the financial resources to do this and are making available additional ongoing funding of £1.62m which aims to put the Children's safeguarding budget on a sustainable basis.
21. £2.5m one-off funding in both 2016/17 and 2017/18 specifically earmarked for Adult Social Care, to protect and support vulnerable adults and to help phase in the cuts that we are being forced to make. In total we will increase the budget for Adult Social Services by £1.65m next year as the allowance that we are making for additional cost pressures is greater than the savings we are assuming.
22. Food bank confirmed funding for another year of £30,000 that provides essential support for local families in financial crisis.
23. Initiatives for crisis support to help borough residents to avoid needing to turn to expensive pay day lenders and start saving regularly, totalling £130,000.
24. We will provide a grant of £232,000 pa for 3 years to Telford & Wrekin Citizen's Advice Bureau and £17,000 for 2016/17 to Rights and Fairness Telford. In addition £50,000 will be available in 2016/17 and 2017/18 to provide funding to the voluntary sector to pump-prime projects.

Since 2010, Telford & Wrekin Council has faced cuts in the grant we receive from Government. The scale of these cuts and the protracted period over which they continue to be made are unprecedented. The cuts in our grants are being made at a time when demand for many services, such as safeguarding children against harm or neglect have been increasing. These factors combine to place the Council, like most others, under extreme financial pressure.

However despite our severe financial constraints, Telford and Wrekin is a progressive Council with ambitions to improve the Borough and the lives of residents. We are tackling the impact of the Government's sustained grant cuts head on and finding new ways to deliver services and to generate

income to help offset some of the grant cuts. We have a long track record of sound financial management and innovative solutions. This report incorporates new approaches that we will adopt to reschedule debt repayments which, together with related changes that we have already implemented will secure revenue benefits totalling over £40m by 2019/20.

Our medium term service and financial planning strategy sets out how as a Co-operative Council, the organisation wants to take forward the Borough over the medium term. It is a vision which is centred on building a strong local identity and resilient and healthy communities by driving economic growth whilst protecting and enhancing our reputation as a “green town”.

Despite the severe financial challenges we face, our mission is clear. We are attracting new jobs and investment and promoting growth in the borough, whilst seeking to protect, as far as we are able to, priority front-line services and are working co-operatively with our residents and partners to deliver these.

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

Following the General Election in May 2015, the Government announced immediate in-year cuts to the Council's Public Health Grant. This unexpected additional cut in 2015/16 and ongoing, of over £770,000, forced further savings to be made by the Council including withdrawing the offer of free swimming for residents aged over 50.

On 25th November, the Government announced the results of its Comprehensive Spending Review (CSR) which set out expectations for economic growth, inflation and tax receipts for the remainder of this Parliament. The CSR also set out the Government's spending priorities. As expected the Government reiterated its objective to eliminate its budget deficit and to run a budget surplus by the end of the Parliament. The Government has also continued to protect spending on the NHS, Education and Overseas Aid in real terms and has also now committed to protecting spending on defence as well as a number of other significant areas of public expenditure. There is little that the government can do to reduce the very significant cost of servicing the national debt and as so many other parts of public spending are now protected, unprotected areas such as Local Government will continue to face significant reductions for the remainder of this decade.

The provisional Local Government Finance Settlement was announced on 17th December 2015 and included a 20.81% cut to Revenue Support Grant next year alone. This very challenging settlement forces the Council to continue to make cuts on an unprecedented scale. In addition the provisional settlement included no further council tax freeze grants despite these having been a feature of settlements for the past 5 years. Further information relating to the provisional settlement was included in the report to Cabinet on 7 January.

The final settlement was not announced until late on 8 February 2016. The only change affecting Telford & Wrekin was a reduction of £4k relating to New Homes Bonus in 2016/17. Whilst the final Revenue Support Grant was unchanged for this Council from the provisional settlement, the Government did identify £150m of additional funding in both 2016/17 and 2017/18 which was distributed to other parts of the country.

As the national funding available for 2016/17 has increased by £150m next year, the Council's core spending power is now £11.75m (8.8%) less than national average.

The Public Health grant details for 2016/17 were not received until 11 February 2016 – much later than the Government had indicated. As anticipated by the Council, the Public Health grant has reduced by £0.3m in 2016/17 and by £0.32m in 2017/18. Details of some other smaller grants were also received very late, whilst the Council is still waiting for details of some grants, which has made finalising the budget strategy very difficult this year.

It is clear that the Council must make further cuts as it has a legal duty to set a "balanced budget". Unfortunately after having already delivered over £80m of savings, the "easier" efficiency savings have already been made. Many of the proposals contained in this report will have significant impacts within the community. The Council is keen to do all that it can to work with partner organisations to try and find ways to mitigate the impacts of as many of these proposals as possible.

The Council is also seeking to reduce our dependency on Government grant by working in more commercial ways. The Capital Programme report also on the agenda includes investments totalling £50m in NuPlace, the Council's wholly owned housing company and £25m in our Property Investment Portfolio. These investments will be funded by borrowing but the returns from the investments are projected to provide a positive ongoing revenue benefit over and above the loan repayments and the prospect of significant capital growth in asset values over the longer term. Clearly adopting a more commercial approach has a degree of risk as not all commercial ventures are likely to be successful but early indications of demand for NuPlace properties are very positive and the Property Investment Portfolio has been run successfully for many years.

The Government's low priority for local government compared to other parts of the public sector and its subsequent significant transfer of risks to the local government sector including the introduction of local council tax support rather than centrally funded council tax benefits and local retention of business rates at a time when it is also radically reducing the grant that it gives to councils clearly all combine to increase the level of financial risk faced by councils.

As well as extensive consultation with the public, the Council's cross party Finance & Enterprise Scrutiny Committee which also includes co-opted

members of the public held a series of meetings inviting Cabinet Members and senior officers to answer questions on the Budget proposals. Scrutiny also considered the proposals put forward by the main Opposition groups. The scrutiny findings are included at Appendix 15 of this report.

4. **BASE BUDGET**

The base budget (i.e. before savings are deducted and pressures are included) is summarised in the table below.

<u>Service Delivery Unit</u>	<u>2016/17 GROSS EXPENDITURE</u> £	<u>2016/17 GROSS INCOME</u> £	<u>2016/17 NET EXPENDITURE</u> £
Public Health, Wellbeing & Public Protection	13,345,103	10,297,267	3,047,836
Law, Democracy & People Services	5,117,488	4,757,083	360,405
Neighbourhood & Leisure Services	46,528,839	15,091,970	31,436,869
Development, Business & Employment	24,830,032	22,932,740	1,897,292
Customer Services	106,629,140	100,137,256	6,491,884
Finance, Audit & Information Governance	5,330,068	5,330,068	0
Adult Social Services	52,899,534	16,190,243	36,709,291
Family, Cohesion & Commissioning	15,323,600	5,555,530	9,768,070
Childrens Safeguarding & Specialist Services	25,010,142	5,038,338	19,971,804
Education & Corporate Parenting	125,660,956	113,423,157	12,237,799
Co-operative Council	4,116,843	2,867,453	1,249,390

Council Wide Items	14,970,640	10,994,904	3,975,736
Netting off of Internal Recharges included above	(29,572,603)	(29,572,603)	0
Total	410,189,782	283,043,406	127,146,376
Less use of balances	3,529,000	434,750	3,094,250
Net Total Base Budget	413,718,782	283,478,156	130,240,626

5. **ROBUSTNESS OF THE BUDGET STRATEGY**

The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to give a view on the robustness of the Council's financial strategy including the use of balances and of the financial planning process.

Appendix 14 gives a more detailed view, but overall the conclusion of the Council's Chief financial Officer is, that given the continued delivery of savings which now total over £80m, the long-term service redesign, particularly in relation to Adults and Children's services, the commercial approach being adopted, and the investment being made in the borough, it is considered that the Council is pursuing a sound financial strategy in the context of the most prolonged and challenging financial position it has ever faced due to the combined effect of Government grant cuts and increased service pressures.

6. **RECOMMENDATIONS.**

Members are asked to approve the following recommendations for consideration by Council on 3 March 2016:-

1. To consider the feedback from consultation summarised in Appendix 17 and from Scrutiny in Appendix 15.
2. To note the Impact Assessments contained in Appendices 3 and 4.
3. To approve the base budget in Appendix 10.

- 4.** To approve a council tax increase of 3.2% for 2016/17 (including the new 2% Adult Social Care precept assumed by the Government) and a medium term strategy of increases at the same level for the three years from 2017/18 to 2019/20 to match the period of the CSR and 4 year settlement.
- 5.** To approve the savings package detailed in Appendix 2 and the revenue pressures detailed in Appendix 2C.
- 6.** To note the commitment to continue to work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide.
- 7.** In order to support these discussions to approve the use of funding from the invest to Save/Capacity Fund to provide transitional funding for a Partnership Support Programme and to grant delegated authority to the Director for Customer, Neighbourhood and Well-Being Services after consultation with either the Cabinet Member for Business, Neighbourhood & Customer Services or the Cabinet Member for Council Finance and Service Delivery to agree allocations of funding from the Invest to Save/Capacity Fund to facilitate support packages in line with the principles set out in Section 19 of this report.
- 8.** To approve the policy framework for Reserves and Balances outlined in Appendix 12.
- 9.** To approve the revenue implications of the medium term capital programme for the period 2015/16 - 2018/19 set out in the Capital Programme report also on this agenda.
- 10.** To note our Efficiency Strategy/ Plan contained in Appendix 18.
- 11.** To approve the Pay Policy for 2016/17 included as Appendix 5 which has already been approved by the Personnel Committee.
- 12.** That authority be delegated to the Assistant Director: Finance & Human Resources to action any virements required following the final allocation of

the Dedicated Schools Grant and other related Education Grants as long as they are within the budget and policy framework.

13. That authority be delegated to the Assistant Director: Early Help & Support, in consultation with the Cabinet Member: Adult Social Care, to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended).

14. That the Assistant Director: Legal, Procurement & Commissioning be authorised to execute all necessary contract documentation including the affixing of the common seal of the council as appropriate to enable the council to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006.

15. To note the CFO's robustness statement in Appendix 14.

7. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report will impact on specific groups of people. An Impact assessment, on identified savings proposals, highlights equalities, environmental and economic impacts which are included as Appendices 3 and 4. Due to the complexity of the budget setting process with a large array of proposals for savings there is potential for a number of small changes to have a large cumulative effect. We have therefore conducted a full impact assessment of all of the budget proposals, which is included in Appendix 3.</i>

TARGET COMPLETION/DELIVERY DATE	<i>A series of borough wide public consultation activities have been undertaken during January and early February. The proposals contained in the report were also subject to Member scrutiny during this period. Final proposals will be considered by full Council on 3rd March 2016. The final agreed recommendations will be implemented during 2016/17 and future years.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<i>This report sets out the service and financial planning strategy for the council for 2016/17 and the medium term.</i>
LEGAL ISSUES	Yes	The Council's budget setting process is governed by the Local Government Finance Acts, 1988, 1992, and 2012, and the Local Government Act 2003 (as amended) and supported by secondary legislation and guidance. This report presents the proposed budget which has been consulted upon in accordance with the Council's Policy Framework & Budget Procedure Rules as contained in the Constitution to meet its Public Sector Equality duty as mentioned in the report. It is a legal requirement that the Chief Finance Officer must report on the robustness of estimates made for the purpose of final budget calculations, and the adequacy of the proposed financial reserves. The Council is required by law to agree its budget for the financial year 2016/17 and to set its Council tax levels for the year 2016/17 before the 11th March 2016. The approval of the Council's Pay Policy Statement must, by law, be approved by full Council. In Accordance with regulations any vote taken at a budget decision meeting of an authority must be a recorded vote.
OTHER IMPACTS, RISKS	Yes	<i>This report sets out the strategy</i>

& OPPORTUNITIES		framework which includes consideration of corporate risks – particularly in relation to the availability of balances. Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment. The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reducing their environmental impact. The environmental assessment detailed in Appendix 4 provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive. The economic impacts of the proposals are also detailed in Appendix 4 and are broadly neutral in 2016/17 given the reduction in spending by the Council, much of which will reduce economic activity within the Borough although this is broadly offset by the continuation of initiatives funded from one-off resources and the capital and revenue investments outlined in the report.
IMPACT ON SPECIFIC WARDS	Yes/No	Borough-wide impact.

8. PREVIOUS MINUTES.

- Full Council 5 March 2015 – Service & Financial Planning 2015/16 – 2017/18
- Cabinet 7 January 2016 – Service & Financial Planning 2016/17 – 2017/18

9. OUR ORGANISATIONAL FOCUS

Telford & Wrekin Council is clear about its focus for the next 4 years. Through our Co-operative approach, we will continue to work to meet the needs of the local community and businesses within the resources we have. Because of the cuts to the grant we receive from Government, this will mean that we have to develop new delivery models and target our resources at those individuals, families and communities in greatest need. Equally, we will not be able to continue to deliver all of the services which we currently do. In this context, our priorities are set out below to make a positive difference to the Borough.

“Put our children and young people first”

Over the past 4 years we have made significant progress in “putting children and young people first”. Central to this has been the implementation of **“Family Connect”** – a single, multi-agency front door for children, young people and families. This has meant that we have enhanced information sharing for safeguarding multi-agency child enquiries. Supporting this we have developed a single, common case management system across children services. The development of this way of working will continue as it is critical to ensuring that children and families receive the **“right help at the right time”**.

We are continuing our **“Strengthening Families”** programme to support families with significant challenges and stop more intensive and expensive interventions. With ever tightening resources across the public sector, partnership working becomes ever-more important. Through the multi-agency Telford & Wrekin Children’s Safeguarding Board, we will continue to protect children and young people, for example addressing child abuse.

The Council has also invested in creating new modern learning environments as part of the “Building Schools for the Future” programme.

“Protect and create jobs as a ‘Business Supporting, Business Winning Council’”

A strong local economy is essential to increasing the prosperity of the Borough. We want a thriving, growing economy. Since 2011, the Council has worked successfully to attract and support inward investment into the Borough and to support the retention and growth of our existing businesses. The economy has grown 1.5 times faster than the national economy. We have supported businesses to secure over £1.5m of funding and grants, unlocking projects worth a potential £4m and creating or safeguarding almost 400 jobs.

Building on this success we have designated the whole Borough an Enterprise Area with incentives for business expansion and investment across all economic sectors. Under **Enterprise Telford** we offer a more competitive “investment offer” tailored to individual business requirements than our competitor locations.

We have also opened the Telford Business Growth Hub in partnership with the University of Wolverhampton, Telford Business Board and the Marches LEP – a one stop shop providing business and skills support to local businesses. We have now launched our “Enterprise Telford” approach to maintain momentum and our unique offer to business.

As well as creating jobs and driving prosperity in the Borough, this has brought additional revenue to the Council through business rates which has supported our budget for front line services.

“Improve local people’s prospects through education and skills training”

To ensure that all residents can access the benefits of our growing economy, we need to make sure that they have the right skills to meet the needs of local employers.

Young people in Telford were badly impacted by the recession with youth unemployment rising rapidly to almost double the national rate. In response the Council launched a series of pledges to tackle youth unemployment within the borough backed by a £1.3m funding package spread over two years and supplemented by a further £0.5m to extend the programme. Through this we launched “Job Box” to bring together a range of initiatives aimed at tackling unemployment. 6 Job Box Mentors were appointed to work on a one to one basis with unemployed 19-24 year olds and to date have supported 206 into employment, education or voluntary work. Some 9,000 people have attended 4 Jobs and Skills Fairs since the programme was started including a hugely successful “**Jobs Fair**” in March 2014. The Council has created over 150 apprenticeship posts.

This has had a significant impact, with the rate of youth unemployment falling by 27% over the year June 2013 to June 2014. By July 2015, youth unemployment at 13.6% was below both the national and regional rate.

Supporting people into work, whatever their age, remains a key priority for the Council. To deliver this, our focus is on working better, working smarter with Job Centre Plus and local training providers, to make the most effective use of these resources – both to support people finding work but also to ensure that the skills needs of local employers are met. Our “**Life Ready, Work Ready**” initiative is focused on ensuring that all young people when they enter the labour market are work ready and in possession of basic employability and life skills.

Educational attainment in the Borough has improved significantly over the past 17 years since responsibility for education services passed to the Council in 1998. Standards in our primary schools are now in line with national averages. Overall, whilst secondary performance has seen improvement closing to the national average, in the past 2 years there has though, been a reduction in the number of pupils achieving 5 A*-C grades. Whilst 86% of schools in the Borough are classified as good or outstanding by OFSTED, we

will support and challenge those schools, secondary schools in particular, which need to improve.

“Protect and support our most vulnerable children and adults”

Two thirds (65%) of the authority’s budget is spent on supporting and protecting children and adults. The financial challenges which we face have meant that we have already started to look at different delivery models and to ensure that these services are delivered as effectively as possible to have a positive impact on the lives of people who need support. Ways in which we have done this include:

- Delivered more timely placement of children for adoption.
- Increased the number of foster carers from within the Borough to reduce agency and out of Borough placements.
- Ensured a sharp focus on supporting parents to care for children, especially teenagers, and returning children in care back home where it is deemed to be safe.
- Development of “**MyLife**”- a web based resource to provide information and advice for residents needing social care support.
- Development and launch of the “**Personal Assistants Register**” to help residents access the right home support.
- Development and sign off of an “**Information & Advice Charter**” with the voluntary sector.

As our resources reduce, however, we will need to ever more focus our resources on those in greatest need. Equally, we want to do everything we can to prevent children and adults requiring the most intensive support and interventions. Core to this will be working hard to support people to be able to continue to live in their homes, in their local neighbourhoods – this means working better, more effectively with families, community groups and local organisations to provide appropriate support to enable this to happen.

We have made a start adopting a new approach to working with adult social service users, details set out in **Right Help, Right Time to Promote Independence**, published in 2015. Promoting independence now sits at the heart of adult social care. We have established a structured and fair system which works to make the very best use of the limited resources that we have. We will promote health and wellbeing through the effective development of universal services ensuring that we have “something for everyone”

We recognise that people want to remain in their own home for as long as possible and we will continue to co-ordinate support around individuals to this end. We have effective systems in place to support carers and will continue to support carers to care for family and friends for as long as they wish to.

We are working with the CCG to support safe and effective discharge from hospitals and avoid inappropriate admissions. This does however pose significant risk to the local authority as the NHS system continues to be under significant pressure.

Early signs show that this approach is working, we now need to consider how we integrate locality based services for children, young people and adults.

If we are to successfully reduce the present dependency on public services we must build resilient communities which can help to improve health, and reduce inequalities. We must mobilise assets within communities, promoting equity and increasing peoples control over their own health and lives by:

- Strengthening communities
- Promoting volunteering and peer roles
- Establishing collaborations and partnerships
- Signposting access to community resources

“Ensure that neighbourhoods are safe, clean and well maintained”

Having neighbourhoods which are safe, clean and well maintained is an essential part of making the Borough a great place to live and to attract inward investment.

Over the past 2 years we have invested £9m in our **“Pride in Community”** programme to improve the quality of the environment in neighbourhoods and retendering the household recycling service – saving £25m over the lifetime of the contract and already seeing a 6% increase in recycling rates. We have also seen local people take on responsibility to improve their neighbourhood with the recruitment of 152 volunteer snow wardens and 156 street champions.

We will continue to maximise the effectiveness and efficiency of the neighbourhood services we provide through contract renegotiation or retendering. However, the reality is with shrinking resources, this will either mean alternative delivery models through working with the community, community groups and Parish & Town Councils or a reduction in service.

“Support neighbourhoods most in need and work to ensure that local people have access to suitable housing”

Across the Borough, there are currently 15 neighbourhoods ranked among the 10% most deprived nationally – areas with deprivation which are comparable to the most deprived inner-city estates. Over the past 4 years, the Council has invested in the physical regeneration of local and district centres including: Hollinswood, Madeley, Leegomery, Malinslee, Hadley, Brookside and Oakengates Centre. Moving forward, we will place greater focus on the social regeneration of our neighbourhoods most in need.

Whilst we look to ensure that Council services are joined-together to achieve this, our approach will be community-led, we will better engage with local residents and community groups to understand their challenges and to

develop new ways in which they can be empowered to overcome the challenges in their neighbourhoods.

Whilst the housing stock of the Borough continues to grow (we expect to deliver 1,000 new homes in 2015/16), we want to ensure that all residents can live in good housing. The Council has worked hard through 2015/16 to tackle empty properties through a support package and loan facility in place. To support the ever growing demand for private rented accommodation, we have established and launched a Landlord Accreditation Scheme to support and set minimum standards for private landlords within the Borough and launched **“Telford Home finders”** a web based lettings agency for accredited landlords. For our most vulnerable, we have significantly reduced dependency on bed and breakfast for temporary housing accommodation.

We have established **“NuPlace”** a private company building new homes for private rent – with many of the first phase (c. 130 homes) already pre-let with individuals and families due to start moving in from spring 2016. This will continue our goal to improve quality housing choices for local residents, support the regeneration of a number of neighbourhoods, and create income for the Council to support the delivery of front-line services.

“Improve the health and wellbeing of our communities and address health inequalities”

Good health and wellbeing is crucial because it allows people to maximise their potential and enjoy a fulfilling life. A positive sense of wellbeing is vital for a prosperous and flourishing Telford & Wrekin.

Although there have been some improvements in the health of the population, there remain real health inequalities in the Borough – that is people in the most deprived parts of the Borough have a lower average life expectancy than people in the least deprived parts.

To address these challenges, we want to support people to make informed lifestyle decisions a key part of our **“prevention agenda”**. Our in-house healthy lifestyle hub and in-house health trainer service are increasing the reach of these services to engage and support a wide range of customers. We have invested in improved leisure facilities across the Borough to encourage the adoption of positive, healthy lifestyles, including the refurbishment of Newport pool, Oakengates Leisure Centre, Telford Ice Rink, Aspiration’s fitness suites in all leisure centres and the opening of Oakengates tennis centre and Phoenix and Abraham Darby leisure Centres.

We are leading the way in developing peer led approaches to developing a recovery orientated model of support for those on their journey recovering from drugs and alcohol addiction.

We are developing council-wide approaches to promoting Five Ways to Wellbeing as one means of developing resilient communities. We will continue to build our whole Council approach to this priority. Through

“Making Every Contact Count”, every Council officer has a potential opportunity to engage with residents to support them to make healthy lifestyle choices. Partnership working is essential to supporting the delivery of this priority too, for example, with Shropshire Fire & Rescue Service, who are adopting the principles of Making Every Contact Count through their home safety fire visits.

Based on our priorities, our key work-streams to manage and maximise value from our resources are set out below. Even with these work-streams, there remains a gap in our budget. A core goal of this strategy is to set out how this gap will be closed.

10. **MOVING FORWARD: OUR MEDIUM-TERM 2016/17 TO 2017/18 SERVICE & FINANCIAL PLANNING STRATEGY**

Our Service and Financial Planning Strategy is underpinned and informed by our Co-operative Council ethos. This means that we are working together, with the community and partners, to collectively deliver the best we can for Telford & Wrekin with the combined resources we have. We are working to:

- Bring more public services together so that people get what they need at the right place and the right time;
- Involve local people and our employees more in planning and running services; and
- Support our communities better and encourage local people and organisations to do more to help their communities.

Central to this are our Co-operative values which are at the heart of all that we say and do as an organisation:

- **Openness and Honesty** - be open and honest in the way we work and make decisions and communicate in a clear, simple and timely way
- **Ownership** - be accountable for our own actions and empower others with the skills to help themselves
- **Fairness and Respect** - respond to people's needs in a fair and consistent way
- **Involvement** - work together with our communities, involving people in decisions that affect their lives and be prepared to listen and take on new ideas

Based on this ethos we have adopted 4 core elements for our medium term service and financial strategy to take the organisation forward and help us deliver the budget savings which are currently projected to be required over the medium term.

10.1 Focussing on Solving Problems and promoting Social Responsibility and action to manage and reduce demand for services

- **“Demand Management”** - ensure that resources are targeted at those residents most in need of help. This is about understanding why people use our services and keeping them out of high cost systems.
- **“Prevention”** – avoid problems which place demand on public services by encouraging people to help themselves to prevent needs developing in the first place. This is relevant to the majority of our population and has a lifelong all age focus.
- **“Early Help & the Right Help”** – when individuals and families do need help and support, we want to identify them quickly and identify the right, effective support first time to avoid issues escalating and requiring more intensive and expensive intervention but also to avoid long-term dependency on our services. Through a whole Council approach, we will improve the customer journey to provide a better seamless process for clients.
- **“Think Family – Strengthening Families”** – to target our resources at those families most in need of support by taking an holistic approach through a key worker model to “turning around” these families. This is a partner-wide agenda and is being led by the Local Strategic Partnership (LSP) and is linked with Enterprise Telford through which we aim to deliver more jobs to promote economic independence.
- **“Working in Communities”** – to reduce demand by targeting our resources at areas in the greatest need of support and working more effectively with the resources which are already in place in our communities. Strong communities place the least demand on public services.
- **“Building Community Capacity”** – the need to harness the resources of the community, community groups and Town And Parish Councils, in helping to improve outcomes for our residents – this is core to our Co-operative approach, the Council doesn’t have a monopoly on the resources or solutions to resolving challenges in our communities:
 - **Community self-help** – building people’s social support networks by making best use of the resources and assets which are available in a local area – this helps people remain in and be an active part of their local community
 - **Effective co-production** – supporting the development of service provision by communities and moving away from a narrow focus of meeting needs through practitioner provided services.

10.2 Challenging & Changing, Reviewing and Reimagining the way we do things

We continue to evaluate the organisation to understand what is working effectively and efficiently and what needs to be changed. Through this we

are able to create and seize opportunities. Examples of what we have done and will continue to deliver include:

- **Redesigning services and business process reengineering** to ensure that they are delivered in the most efficient and effective manner.
- **Redesigning and managing our front-door** to enable users to get the right service at the right time. Examples include “First Point for Business” and “Family Connect”.
- **Challenging Policies** – e.g. for calculation of Minimum Revenue Provision (changing debt repayment from equal instalments of principal to an annuity basis with revenue benefits of **over £40m by 2019/20**).
- **Working with the private sector** – including the Telford Business Board and major local employers, the management of the Telford Town Centre shopping centre, house-builders and our Universities to drive economic growth in order to generate jobs and increased prosperity for the residents of the Borough. This will also generate additional income for the Council from business rates and New Homes Bonus and council tax on new homes built in the Borough.

Building on this progress, moving forward there are some major ways that we will change as an organisation:

- **“Channel Shift”** by providing services and information in the most efficient way. For example, providing clear and robust information on the Council’s website will mean that residents can “self-serve” and not need to contact the Council in other less efficient, more expensive ways such as by telephone or face to face. Other examples include the use of smart phone “apps” such as our Everyday Telford App which allows people to report neighbourhood issues directly to the Council.
- **“Improving Business Intelligence”** – we are a data rich organisation, but all services need to be better at turning this data into intelligence to understand who is using our services and the outcomes they receive. We have made significant strides in the past 10 months understanding better who are using Council services - but as we continue to change the organisation we need to understand the impact of these changes both in terms of efficiency but also in terms of impact on budget and the community too.
- **“Developing new ways of delivering services”** – we will need to be working in an ever more integrated way with our partners including:
 - **Telford & Wrekin NHS Clinical Commissioning Group** – continue to explore how we can work better together to provide and/or commission more effective preventive services in communities and so take pressure off health and social care systems.
 - **Town & Parish Councils** – building on strong working relationships such as Parish Environmental Teams to improve local neighbourhoods. Are there opportunities for Parish and

Town Councils to manage and deliver certain services at a more local level?

- **The Local Strategic Partnership** have committed to making “Think Family – Strengthening Families” as one of their top priorities to drive better data sharing across organisations and more integrated and co-ordinated ways of working to improve outcomes and reduce costs.

10.3 Reducing our Dependency on Government Grants

We have already taken significant steps to reduce our dependency on Government Grants and we will continue to drive them forward:

- **“Increasing income through trading our existing services”** – there are many Council services that already “trade” outside the organisation and secure income. Primarily ICT, People Services, Facilities Management and Cleaning, Property Management and Catering. A key purchaser of these services are schools – both those in the Borough and in the past 12 months an increasing number of schools from outside the Borough.
- **“New commercial development/projects”** – we have developed a track record on taking on new ventures to deliver income to the Council and protect front-line services:
 - A solar farm providing £4.4m profit over its 25 year lifespan.
 - Established “NuPlace”, a housing company which will provide over 400 new homes for private and affordable rent, with the first homes being available to move in to in spring 2016.

We will continue to research and develop new opportunities that can bring in an income stream to the Council. Our approach will always be business case-based.

- **“Maximising existing funding streams”** – there are 3 main areas which we are already progressing and will continue to drive:
 - **Business Supporting, Business Winning** – continuing to work to attract new investment and work to support the retention and growth of existing businesses. As well as being the right thing to develop jobs and growth in the Borough, the Council receives 49% of all new **business rates** rising to potentially 100% at some point in the future subject to clarification of Government announcements.
 - **Growth Through Good Planning** - this is a whole Council approach by which all services work to support and enable business investment in the Borough. Through this approach we have been ranked by the 2014 Core Cities Report in the top 3 local authorities for job growth and housing growth. Through this the Council will see **new Council Tax** and Business Rate receipts, as well as receiving the Governments’ **New Homes Bonus** for new homes – until any major changes to the local government finance system.

- **Property Investment Portfolio** - a property investment portfolio delivering £5.1m income per annum from rental income.
- **“Securing external funding”** – again we have successfully driven this agenda, including £18.79m through the Marches Local Enterprise Partnership Local Growth Fund.

To continue to reduce our dependency on Government Grants, building on our achievements to-date, we must continue to be creative, fast-acting and smart to identify and realise opportunities as and when we identify them.

10.4 Being a modern Organisation with Modern Practices and Where we Always Get the Basics Right

Core to being a modern organisation is continuing to reshape the Council’s relationship with its staff. We must continue to move towards a more flexible, more pragmatic and less bureaucratic approach to decision making. This means:

- Increased autonomy for managers and staff to take decisions
- Greater focus on development through workforce development programmes
- Greater flexibility including wider more flexible working and job descriptions for staff.
- Encourage creative thinking and challenge
- Focus on efficiency and reducing bureaucracy
- Increased staff engagement so that employee representatives will have a greater influence in the organisation

Whilst driving change and reshaping the relationship between the Council and its staff, we will continue to focus on getting the basics right, including:

- **Safeguarding our most vulnerable children and adults**
- **Procurement and purchasing** – ensuring that we maximise value from the services which we procure – this may be direct benefit or a wider benefit to the community for example, social benefit from capital projects including the employment of local people in new build schemes. It is not enough to be led by what the market will provide. We work to influence and shape the market to ensure that tax payers receive maximum value for money. We will improve further our robust contract management to ensure providers and suppliers meet their contractual obligations, review existing contracts to ensure they are fit for purpose and achieving value for money, widely advertise all contract requirements over £5k to achieve optimum market prices, make greater use of framework agreements and get added social value from procurement.

10.5 A FAIR DEAL FOR TELFORD & WREKIN

We will take every opportunity to fight for a fair deal for Telford & Wrekin. Councils are losing income from some businesses that abuse business rates exemptions – we will lobby Government for changes in the law to end this abuse and have agreed an invest to save project to fight fraud including that relating to council tax discounts and business rates.

In addition, the Government's new, more accurate, methodology for calculating spending power shows that national average spending power is £1838.22 per dwelling. In Telford & Wrekin it is £1675.46 some £162.76 less per dwelling (over 8.8%) below the average for England which equates to a total of £11.75m less spending power than if this area enjoyed the national average – in part this is down to our low council tax base and low level of council tax. From 2017/18 the proposed allocation of the new Better Care Fund (BCF) will take in to account the need to spend on adult services but also the relative ability of authorities to raise funds from the new 2% adult social care precept which will tend to benefit councils with lower council tax levels and lower property values. However, there is no benefit from this in 2016/17 and only a limited benefit in 2017/18.

The Government has now chosen to fund councils differently, decreasing Government's share of funding and pushing responsibility for this back to councils to raise this locally. Figures from the Comprehensive Spending Review show that by 2020, DCLG's funding of councils will fall by 53%, while the Government expects the share directly funded by councils from additional council tax and business rates income will rise by 22% nationally.

This effectively penalises councils such as Telford & Wrekin who have kept council tax levels low in line with Government policy throughout the last Parliament. Factors that the Council will also lobby on include:-

- The Government's assumption that councils will impose a 2% council tax increase to help fund Adult Social Care as this will yield significantly less new income for a Council with a low level of council tax than those with above average rates. Over time, this gap will only widen as higher charging councils receive more income from any increases. Whilst the "improved Better Care Fund" will compensate to some extent from 2017/18 there is no recognition of the pressures faced by low council tax authorities next year and only a very limited benefit from the improved BCF in 2017/18.
- The Adult Social Care precept also penalises councils with a low council tax base. In this area, most people live in homes that are comparatively lower value than in many other council areas. Almost 2/3 of homes in our borough fall in the lowest A and B council tax bands. In contrast, in many other council areas, the average home is in the more expensive band D, or even higher, bracket. A 2% increase on a Band B home will yield less extra income for services than from a Band D home. Without any mechanism to address this, rich authorities will get comparatively richer, while the gap between these and lower council tax authorities with more lower value homes will simply grow ever

wider, amplifying differences between these areas and the services and opportunities offered to their residents.

- Both these effects also ignore the fact that areas with more lower council tax band homes generally see greater demand for the services councils provide, due to their specific socio economic factors increasing cost pressures on that authority.
- It is also the case that wealthier areas tend to benefit not just from a greater yield from council tax increases but tend to also benefit from additional income from the retained business rates system. They have also seen less significant cuts to their grants from Government since the start of the last Parliament.
- The local government finance system from April 2013 has built in a number of factors that further disadvantage the borough including:
 - Permanent loss of grant that Government had calculated should come to Telford and Wrekin but was held back through the so-called damping mechanism. This was meant to be transitional arrangement but has now become permanent
 - A permanent disadvantage to the Council from the population data lag which undercounts the borough's true population. This is of particular disadvantage to a fast growing area such as Telford and Wrekin.

These two factors alone are worth at least £10m over the life of this parliament.

The only option for a council like Telford & Wrekin, disadvantaged by its low council tax base over which it has very little control, is to make this up by increasing council tax. Yet to do so would again unfairly penalise our residents, while Government rules severely restrict the scope of any such increase. It is against this background that cuts such as those proposed by the Council in our budget have become unavoidable.

If Telford & Wrekin Council had just the average level of spending power, we would be able to avoid many of the cuts we now face including to libraries, youth services and community centres. We could also be able to cut our debt by around a quarter over the next five years.

The Council will lobby for a solution that brings the borough up to the English average spending power through a mechanism that offers some form of reward for councils like Telford & Wrekin who keep their bills as low as possible.

11. SAVINGS ALREADY DELIVERED

The Council has faced truly unprecedented cuts to its grants from central Government which have now forced us to make ongoing annual savings of £80m. The need for savings has increased each year due to Government grant cuts, inflation and other pressures including the transfer of significant costs in respect of Continuing Health-Care cases from the NHS. Ongoing savings delivered by year are detailed below:-

	£m
2009/10	4.156
2010/11	6.725
2011/12	11.659
2012/13	19.069
2013/14	11.306
2014/15	17.204
2015/16	10.237 (Includes in-year Public Health cut)
Total	80.356

This is equal to a cut of around £1,100 pa in the cost of Council services for every household in Telford and Wrekin. In delivering these savings, we have applied the principle of 'as far as possible minimising the impact on priority front-line services'. This principle remains at the core of our current strategy although it is now inevitable that we have to put some savings proposals forward that do have significant consequences on front line services. Savings delivered to date include:-

Council Jobs

- Reduced the number of jobs by over 1,270 since April 2010, saving around £22.5m pa following a major redesign and restructuring of the organisation. This has seen 599 vacancies deleted and 671 redundancies although through effective redeployment only 64 of these have been compulsory redundancies.
- Redeployed over 2,050 people within the organisation as a result of restructuring.
- Since 2009 staff pay has increased by 3.2% while inflation (RPI) has risen by 22.5% cutting staff pay very significantly in real terms.

Senior managers

- Reduced the size of the senior management team by 58% which is over twice the national average reduction of "Nearly 23.2%" as reported by the Municipal Journal in October 2015.
- Cut pay of our most senior post by 30% in real terms.
- Cut the number of middle managers by 39%.

Back office costs

- Cut back-office costs by around 45% since 2009, saving £9.1m a year. This scale of reduction is significantly greater than what most

authorities have achieved through outsourcing or sharing services and has been achieved much more quickly as protracted negotiations with other councils have been avoided. Retaining full control of these services also allows maximum flexibility to drive further changes in future.

Buying better value services

- Delivered £11.3m procurement savings over the past 7 years by renegotiating and re-tendering contracts for the provision of services.
- Secured savings of more than £25m over the lifetime of the waste collection and disposal contract.

Income through growth

- As part of our business winning approach, we expect to generate an extra £7.1m income by 2018, through growth in business rates and council tax since the introduction of the new local government finance system in April 2013.
- We will receive £6.4m in 2016/17 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply.
- Increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin.

Shared Services, Trade Union Facilities Time, Cabinet Member Allowances

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

- The West Mercia Youth Offending Service (WMYOS) established in partnership with Worcestershire, Hereford, Shropshire, health, police and probation. The service works closely with The Police and Crime Commissioner (PCC) with genuine integrated working practices ensuring improved outcomes at a lower cost. It is anticipated that the PCC will take on responsibility for managing the WMYOS during 2016.
- Membership of West Mercia Energy, a joint energy procurement consortium consisting of 4 upper tier authorities.
- We have for some years delivered a number of specialist services through a joint arrangement with Shropshire Council. Telford hosts sensory inclusion and portage whilst Shropshire provides a pan Shropshire adoption service. We are currently exploring a wider partnership arrangement for the adoption service.
- We also work with authorities across the West Midlands through our links to IEWM to put in place regional procurement contracts for agency foster care and residential accommodation.
- Working co-operatively with our Town and Parish Councils such as the Parish Environmental Teams.

- Sharing the administrative costs of the pension scheme by participating in the Shropshire wide superannuation scheme.
- Trade Unions have agreed a 20% reduction in facilities time payments for directly employed staff.
- Cabinet Members voluntarily reduced their special responsibility allowances by 10% at the start of the previous Administration which the new Administration have continued.

Council buildings

- Disposed of 25 properties including the former Civic Offices building.
- Reduced the office space we use by a third, saving the Council £2m. pa.

12. CAPITAL RECEIPTS AND DEBT CHARGES

The Council's programme of property rationalisation has not only reduced running costs but is also generating significant capital receipts enabling us to fund some investment from internal resources rather than from increased borrowing. Debt clearly has to be repaid and adds to pressure on the revenue budget so the generation of capital receipts from the sale of surplus assets helps protect essential front line services. This reduces the amount of cuts that would otherwise have to be made.

Debt repayments represent a long term fixed charge against the revenue budget which reduces the amount of funding available for the provision of front line services. "Good capital investments" that generate income, pay back debt and provide a surplus help to reduce the impact on the revenue budget of the Government cuts. "Good capital investment" can also fund assets which will increase in value over the longer term. Invest-to-Save schemes such as the solar farm or the Housing Investment Programme and investment in the Property Investment Portfolio represent "good capital investment" as they earn a surplus which can be used to help protect front line services.

In Telford & Wrekin debt repayments in 2015/16 accounted for 8.4% of the net revenue budget (including payment to Shropshire Council in respect of pre-unitary authority debt). This compares to:-

Birmingham	25.5%
Shropshire	9.7%
Unitary Authority average	10.5%
Telford & Wrekin	8.4%

A graph showing the percentage of the net revenue budget allocated to debt repayments in 2015/16 for all unitary authorities is included in Appendix 9.

Our programme of asset sales totals £51.5m over the medium term although it is assumed that the receipts generated in 2016/17 will be used to fund the revenue costs of service reform projects in line with the Government's new proposed Capital Receipts Flexibility provisions. The Government's new

approach supports not drawing down revenue reserves but increases debt outstanding and costs in future years relating to servicing outstanding debt. The planned profile of capital receipts is shown below:

	£m
2015/16	2.868
2016/17	5.814
2017/18	7.037
2018/19	10.810
Later years	25.000
Sub Total	51.529
Assumed use of 2016/17 receipts to fund revenue costs of reform in line with the Government's new Capital Receipts Flexibility provisions	(5.814)
Total	45.715

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

13. SECTION 106 AGREEMENTS

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S.106 agreements are often referred to as 'developer contributions'. The common uses of planning obligations are to; secure affordable housing, to secure financial contributions to provide infrastructure (for example relating to necessary highways works to provide access to the development) and to help fund new educational facilities for the children of families that move in to newly built houses. Careful negotiations are undertaken with developers in reaching the s.106 agreement which are legally binding and clearly state what the funding can be used for.

Legally a S.106 can only be requested when it is:

1. necessary to make the development acceptable in planning terms
2. directly related to the development; and
3. fairly and reasonably related in scale and kind to the development.

Negotiations have to ensure that developments remain viable and the National Planning Policy Framework (NPPF) states where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.

The Council's Children and Young People Scrutiny Committee undertook a scrutiny review of Primary School Places during 2014 which considered s.106 agreements relating to education and it was agreed that details of these agreements would be included in the service and financial planning report in future years. Details are therefore included in Appendix 13 for the period 1st April 2015 to 31st January 2016 showing income and expenditure on each scheme. Details of these and all other s.106 agreements will be included in the final accounts report which is considered by Cabinet in June of each year to show the year-end balance and in-year movement relating to each current s.106 agreement.

14. MEDIUM-TERM FINANCIAL OUTLOOK

14.1 Context

Throughout the last Parliament, the Government exercised very tight control over public sector spending but protected spending on education and the health service which together account for a large part of total public expenditure. Overseas aid was also protected with a commitment to spend at 0.7% of GDP. This means that spending on other parts of the public sector faced disproportionate cuts with Local Government most severely affected. The National Audit Office reported that the government was on course to reduce funding of local government by 37% between 2010/11 and 2015/16.

However the cuts to local government have not been uniformly distributed across the country but have been targeted at areas of greatest social need which have historically attracted more grant from government to reflect their greater levels of deprivation. This is highlighted in the heat map produced by Newcastle City Council and included at Appendix 1.

As the Chancellor made clear in the Comprehensive Spending Review announcements, the squeeze on public finances will continue throughout the current Parliament meaning a decade of severe financial constraint for unprotected parts of the public sector such as local government. Savings inevitably become more difficult to find and the impact on front line services and the consequences for communities will unfortunately therefore become greater in future.

More prosperous parts of the country have been less affected by the cuts to grants but also tend to have a higher level of council tax base and growth which increases income from council tax, new homes bonus and from retained business rates. Some concern is now being expressed at the ability of councils to continue to meet their statutory obligations.

14.2 Comprehensive Spending Review.

The Chancellor, George Osborne, delivered his Comprehensive Spending Review on 25th November 2015. The Spending Review 2015 report set out the government's spending plans for 2016/17 to 2019/20 and set out expectations for economic growth, inflation and tax receipts for the remainder of the Parliament. The Comprehensive Spending Review also set out the Government's spending priorities and protection was extended to many other areas of public expenditure including national museums and galleries, Defence and the Home Office but DCLG's funding for local government will receive by far the greatest cuts of any main Government Department.

Local Government Funding amounts as per SR15

	2015/16 £bn	2016/17 £bn	2017/18 £bn	2018/19 £bn	2019/20 £bn
DCLG Local Government DEL	11.5	9.6	7.4	6.1	5.4
DCLG Local Government DEL % change		-16.5%	-22.9%	-17.6%	-11.5%
Locally Financed Expenditure	28.8	29.0	31.5	33.6	35.1
Locally Financed Expenditure % change		0.7%	8.6%	6.7%	4.5%

The table shows:

- A reduction in funding of £6.1bn in DCLG's local government Departmental Expenditure Limit (DEL) over the period. **This equates to a 53% reduction in funding in cash terms**, if the impact of inflation is allowed for the cut is even greater.
- The Chancellor however said that total funding available to local government increases from £40.3bn to £40.5bn over the period. **This assumes that Councils benefit from increased BCF, business rates growth, council tax increases and the new 2% social care precept.** However, many commentators have queried the assumptions made by the Government that increases in locally financed expenditure will offset the cuts to government grants.

14.3 Local Government Finance Settlement

Fundamental changes were made to the local government finance system from 2013/14 including the localisation of a share of business rates, the replacement of the national council tax benefit scheme with local council tax support schemes and the transfer of responsibility for public health services from the NHS to councils. The new local government finance system represented a significant transfer of risk from the Government to councils but also brought opportunities and incentives to encourage growth in local communities. This Council is well placed to benefit from the new financial

system with an attractive environment, good motorway connections and ready to go development sites. We have grasped the challenge to become a “Business Supporting and Business Winning” Council.

Whilst the Comprehensive Spending Review sets the strategic financial overview for the Government as a whole over the medium term, the provisional local government finance settlement sets out the specific proposals affecting local government for 2016/17 with details for each council being provided.

Despite persistent requests from across the local government community over many years for an early settlement so that effective financial planning can be undertaken, the provisional settlement was not announced until Thursday 17th December and details were included in the report to Cabinet on 7 January. A period of consultation on the provisional settlement ended on 15th January 2016 and no details of funding totalling over £13m had been provided by the time the Council had to publish its budget proposals if we were to allow time for effective consultation with our community.

The final settlement was not announced until late on 8 February 2016. The only change affecting Telford & Wrekin was a reduction of £4k relating to New Homes Bonus in 2016/17. Whilst the final Revenue Support Grant was unchanged for this Council from the provisional settlement, the Government did identify £150m of additional funding in both 2016/17 and 2017/18 which was distributed to other parts of the country.

As the national funding available for 2016/17 has increased by £150m next year, the Council’s core spending power is now £11.75m (8.8%) less than national average.

The Public Health grant was not received until 11 February 2016 – much later than the Government had indicated. As anticipated by the Council, the Public Health grant has reduced by £0.3m in 2016/17 and by a further £0.32m in 2017/18. Details of some other smaller grants were also received very late which has made finalising the budget strategy very difficult this year.

14.4 Future projections.

It is very difficult to make accurate projections of the likely budget gap that the Council may face in the years beyond 2016/17 despite the helpful future provisional indications of Revenue Support Grant included in the settlement for the duration of the CSR period. The Government have announced a review of the operation of the business rates system and a revaluation of all commercial, industrial and retail premises will be undertaken in 2017. These factors along with the inherent complexity of the various reliefs available, potential for bad debts and the significant number and value of outstanding appeals from previous revaluations undertaken by the Government’s Valuation Office Agency mean that income from business rates is very difficult to predict. However, collection performance has been very good and benefits are being seen from the Council’s Business Winning approach.

However, it is clear that the Council faces several more years of cuts. We have used the best available information to inform the Council's budget model which includes many assumptions on factors that will impact on the anticipated scale of the budget shortfall that we will face in future years.

The service and financial planning report considered by Cabinet in January 2016 included medium term projections. These now need to be updated to reflect changes and new information received since that report was considered. The key changes are detailed in the table below and the impact on the projected budget shortfalls is summarised below:-

	2016/17 £'000	2017/18 £'000	2018/19 £'000
Base Budget Gap – reported to 7 January 2016 Cabinet	10,462	22,954	31,630
Changes to the base gap since 7 January Cabinet Report:			
Provision to meet bus route subsidy costs 2016/17 to 2020/21	500	0	0
Provision to meet additional PET team costs to 2018/19	616	0	0
Additional Retained Business Rates	(298)	(714)	(18)
Updated WME Dividend Forecasts	(220)	(156)	(139)
Updated New Homes Bonus Estimates	(81)	1,056	2,235
Adult Social Care Burdens Grant	(183)	(223)	(231)
Additional ASC Burdens/Cost Pressures/Transitional Clients	0	188	2,042
Additional "Improved" BCF Funding	0	(500)	(3,300)
Updated Education Services Grant Estimates	0	324	577
Waste Procurement Contract Planned Funding Requirement	0	500	700
Capital Programme changes	92	309	309
Return of responsibility for Lawley Parish Street Lighting	32	32	32
General Revenue Contingency / Other	202	(23)	(239)
Current Base Budget Gap	11,122	23,747	33,598
Less 2% Social Care Precept p.a.	(1,078)	(2,191)	(3,340)
Less additional income generated from 1.2% council tax increase p.a. Over and above the social care precept	(647)	(1,315)	(2,004)
Add Pressures* - at 7 January	8,253	10,168	10,168*
New Pressures identified:			
Safeguarding - Joint Adoption Service & S17 Children in Need	209	209	209*
HCA Land Transfer - revenue implications of liability package	18	18	18*
Total Pressures	8,480	10,395	10,395
Less Savings (adjusted for leakage) - at 7 January	(18,123)	(30,244)	(27,544)
Changes to Savings	246	378	378
Total Savings	(17,877)	(29,866)	(27,166)
Remaining Shortfall to be offset by further savings/use of one-offs	0	770	11,483

Notes:-

- The position for 2016/17 and 2017/18 assumes that all planned and proposed savings detailed in Appendix 2 are delivered in accordance with currently anticipated timescales.
- Projections for 2017/18 and 2018/19 are broad indications and will be refined as further information becomes available.
- *Pressures for 2018/19 have been assumed to continue at the same level as in 2017/18.

- Assumptions include:-
 - That the new “Improved BCF” will be fully available to support the Council’s Adult Social Care budget,
 - That the reforms to the New Homes Bonus scheme from 2017/18 will be in line with our projections and
 - That the 2017 Business Rates revaluation will have a neutral impact on the Council.

15. MINIMUM REVENUE PROVISION CALCULATION.

The service and financial planning report considered by Cabinet in January 2016 included details of proposed changes to the calculation of Minimum Revenue Provision (MRP) and these changes will now be implemented. This proposal gives a benefit compared to the existing methodology until 2027/28 for historic debt and until 2031/32 for PFI related debt after which time costs will increase. As the benefit in the short to medium term arises from re-phasing principal repayments, both total levels of debt and interest payments will be higher in future years than they would otherwise have been. However, in the current period of extreme financial pressure caused by protracted and unprecedented cuts to the Council’s grants from Government such a re-phasing can be justified provided that future financial planning takes the eventual increased costs in to account. The revised approach and highly complex underlying calculations will not be confirmed by the external auditors until the accounts for 2015/16 have been audited in September 2016 so until approved there will therefore be an element of risk over the actual benefits in 2015/16 and later years although KPMG have agreed the proposal in principle.

These changes provide benefits of £5.696m in 2016/17 and £5.338m in 2017/18 and an unbudgeted benefit of over £5.3m in the current financial year. In total the changes that have already been made and are now proposed to the calculation of MRP will generate revenue benefits of over £40m for the Council by 2019/20.

16. COMMUNITY ENGAGEMENT AND COMMUNICATION

Targeted consultation and engagement has taken place throughout the year, related to the proposals put forward in the 2015/16 budget report. Specific proposals in this 2016/17 to 2017/18 budget report were subject to consultation and engagement. . Budget communication material contained high level messages and focussed on proposals with maximum public impact – for example libraries, reduced environmental standards, play areas, Community Recycling Centres, markets, youth provision, transport for schools, adult services changes and fewer Police Community Support Officers.

As in previous years, communicating and engaging with the community on our future plans was a key part of the budget planning process. We launched a

public consultation on 8 January 2016 following publication of proposals on 5 January 2016. Internal communication began on 4 January to ensure employees were aware of the budget proposals before they became public. Key elements of communication and consultation are outlined below.

Communication of key budget messages

These included:

- Cuts have consequences - we can no longer protect frontline services
- £80m cuts since 2010 - what we have already done to make savings and increase income
- Scale of the challenge ahead – around £30m to find and we need your help with this
- Council Tax – implementation of the Government's 2% Adult Social Care Precept and consultation on any additional council tax increase as after 5 years of making council tax freeze grants available, the Government will no longer provide these to compensate authorities that do not increase council tax
- We will be asking voluntary and community organisations if they can provide some of the services we can no longer afford to provide
- Things individuals can now do to help the Council save money

Consultation on key proposed cuts to services

Consultation focussed on 32 key proposed cuts to services related to what the public would see including how the changes in the Council's budget would affect your neighbourhood, your community, Council charges, parks and leisure and sports and arts, transport, children and young people, libraries and adults. The savings were demonstrated in a visual way using images and other tools to make it as clear and meaningful as possible for residents.

Consultation on specific proposed cuts to services

During 2016/17 we will refine specific savings; this will require a different kind of timely targeted consultation with residents, service users and stakeholders. These specific consultations will help us understand the impact that these types of changes can have and may offer ways to mitigate any negative impact for our residents. We will also seek ongoing suggestions from local people for their ideas on ways in which the Council and residents can help to save more money and ways in which we can increase income.

Our communication and engagement plan included at Appendix 16 provides further details of how people contributed their views including:-

- Your Voice distributed to homes in the Borough at the start of December included key budget messages and signposting to the online budget page to find out more and get involved.
- Budget briefing sheets and a video highlighting the challenge the Council faces and what it has already done to make savings and earn extra income
- A survey of the Community Panel.

- An online budget survey on the budget section of the Council website – www.telford.gov.uk/budget. This survey asked residents to tell us what they thought about our priorities for the Council, 32 proposed cuts to services, views on Council Tax and fair funding for Telford and Wrekin. This was widely promoted throughout the budget consultation including a 4-page wrap in The Telford Journal on January 14 and information in the Newport Advertiser.
- Signposting opportunities for people to get involved and give their views on the budget strategy including Facebook, Twitter, write in, ring in or text.
- 2 public meetings and 14 roadshows in high footfall locations giving local people an opportunity to hear about the budget and future plans and speak with Cabinet members and senior managers.
- Visits to present the budget strategy at 9 organisations and forums including the Parish Council Forum, Business Forum, Senior Citizens Forum, Young Peoples Forum and Listen not Label (user led organisation).

In total **4,013 contacts** (figure made up of the number of people we spoke to and the number of people who responded to the consultation) were involved with this budget consultation.

The Cabinet Member for Finance & Service Delivery, Cabinet Members, the Chief Finance Officer and relevant senior managers, between them attended a number of local groups and forums including:

Group/Forum	Number of people attending
Young People's Forum	9
Senior Citizens Forum	40
Telford College of Arts and Technology (TCAT)	90
Voluntary Sector meeting	40
Listen not Label	10
Parents Opening Doors (PODS)	30
Telford Business Board	33
Shropshire Partners in Care (SPIC)	25
Parish Forum	25
Total in attendance at local groups and forums	302

This year we delivered 2 public events and 14 interactive roadshows, visiting a number of areas across the Borough giving local people an opportunity to hear about the budget and future plans and speak with Cabinet members and senior managers.

Roadshow Event	Approximate number of people

	contacted
Park Lane Centre, Woodside	25
Newport market	150
The Place @ Oakengates public events x 2	80
Telford town centre – Asda supermarket	150
Southwater One (first event)	50
Telford town centre bus station	80
Newport – Waitrose supermarket	100
Southwater One (second event)	30
Donnington – Wyevale Garden Centre	55
Wrekin retail park – Tesco supermarket	70
Madeley – Tesco supermarket	80
Wellington Civic and Leisure Centre	45
Donnington – Asda supermarket	55
Dawley Christian Centre	30
Wellington market	45
Total (approximate) number in attendance at the road show events	1,045

Having learnt the lessons from previous budgets, we encouraged residents to complete the survey and to not leave their comments on our social media channels such as Facebook or Twitter. The majority of messages we wrote encouraged people to go to www.telford.gov.uk/budget and to make their views known as part of the survey. This has resulted in a far greater reach for our message but fewer comments left on our channels. The use of videos this year has been an easier way of getting the complex message out to more members of the public. This visual and streamlined approach means that we can impart the messages more clearly and capture all the comments as part of the consultation. Communication activity to raise awareness of the budget and encourage people to get involved in the budget consultation includes the following:

Methods	Communication reach
Total reach for Facebook, Twitter and Streetlife	127,082
Advocacy (similar to likes and retweets)	351
Unique page views (individuals viewing pages) of clicks on the link to our budget web pages	7,383
Total number of page views (total number of views including repeat views). This excludes views of number of web forms.	23,051
Live Twitter discussion with Cabinet lead for Finance & Service Delivery	(1,295 – figure included in total reach)
Email opens to people signed up through News for You – 13 emails sent out and budget emails opens	31,548
Press releases	6

Radio interviews	6
Budget video views	4,905
Telford Journal wrap around	61,541 readership (Midlands News Association provided)
Newport advertiser	17,573 readership (Midlands News Association provided)
Surveys distributed to the Community Panel	1,159
Posters = 4 large poster sites, 300 A4 and 20 A3	unknown
Postcards	2,500
Total communication reach	277,105*

*NB Some people will have been reached more than once.

The breakdown of how people responded to the consultation is as follows:

Method	n
Full Budget Survey - Completed online	1,532
Full Budget Survey – Completed on paper	213
Full Budget Survey – Completed by a Community Panel member	390
Budget Views - 1 page survey completed at roadshow event/forum	477
General Comment Received*	366
General Comment Received – at an roadshow event / Forum	311
General comments - social media	165

*People used a number of methods to provide comments to the Council on the budget proposals, all of which have been counted here. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Detailed consultation findings are detailed in Appendix 17

17. CHANGES IN RESPONSE TO CONSULTATION & SCRUTINY

The Cabinet have considered the response to the consultation from members of the public and from Scrutiny members very carefully and in response propose to make a number of changes:-

Six savings from the January 2007 Cabinet report which was approved for consultation will be deleted:-

- Old saving number 6 - increased charges for Disabled Bay applications; £2k
- Old saving number 26 – winter maintenance service; £30k
- Old saving number 27 – winter gritting call outs £55k (replaced with new efficiency target from wider service area of same value)
- Old saving number 77 - increased music service charges; £5k
- Old saving number 83 - Town Park visitor centre opening hours; £8k
- Old saving number 75 – Support for children and adults through the Creative Arts Service; £67.570k

Two savings will be put on hold and removed from the list of savings pending a commercial review:-

- Old saving number 91 - Telford Ice Rink opening times; £40k
- Old saving number 92 - Ski slope; £16k

One saving will be put on hold and removed from the list of savings pending a review to assess the scope for efficiencies/a different operating model rather than increasing charges to users.

- Old saving number 193 - Transport Age UK; £50k

Other Changes to the original list of savings proposals include:-

- Re-phase number 126 into 2017/18 - 16+ transport £25k
- Old saving number 40, Newport Library – reduced by £65k (During the consultation, the Council received many comments highlighting that Newport library is a particularly valued community asset. As well as being a library it is also a Council “First Point” and given geographical factors accessing an alternative library or First Point service would be particularly difficult for residents. However, the Council can not afford to continue to provide the current service. It is therefore proposed that the savings target is reduced by £65k in 2017/18. This will enable a First Point service to continue on reduced opening hours and a self-service community library facility to be made available. The Council hopes that it will be possible to identify ways to supplement this service by ongoing discussions with other partners.
- Old saving number 21, environmental maintenance – reduced by £100k
- Old saving number 152. (Review of short breaks offer, £25k rising to £50k by 2017/18. The contingency will be used to cover this saving should it not be achieved through the personalisation offer.

The Cabinet's top priority is to seek to protect vulnerable children and adults and the most significant single change since the proposals were issued for consultation is to increase the amount by which the budget for children's safeguarding will be increased next year by over £0.2m to reflect increasing demands on this service.

It is clear from our budget consultation that people are concerned about our proposal to reduce the number of Council funded Police Community Support Officers in 2017/18. We are pleased to report that considerable progress has been made in identifying partners that are prepared to fund PCSOs. We will bring forward the work with the police (the employer of PCSOs) and these partners to reach agreement, as quickly as possible thereby seeking to protect the 4 PCSOs currently funded by the Council.

The reduction in the value of the savings package as a result of these changes (adjusted for "leakage") is £246k in 2016/17 and £378k in 2017/18 and ongoing.

The increased investment in children's safeguarding increases the children's safeguarding budget by £0.209m in both years compared to that consulted upon.

18. UPDATED SAVINGS PROPOSALS FOR 2016/17 AND LATER YEARS

Appendix 2 includes full details of the final savings package now put forward for approval for 2016/17 and 2017/18. Savings net of pressures and leakage total £9.397m in 2016/17, rising to £19.471m in 2017/18. However, £2.7m of the MRP savings are not ongoing beyond 2017/18 and will not therefore make up for the ongoing impact of the Government imposed cuts. The ongoing savings net of pressures and leakage total £16.771m.

19. PARTNERSHIP SUPPORT PROGRAMME

A key priority of this Service and Financial Planning Strategy is to work with partners including Town and Parish Councils and community and voluntary groups to find new ways of delivering services to help mitigate the impact of budget proposals and to retain and enhance local services. Funds were transferred to the Invest to Save/Capacity Fund in the Service & Financial Planning report that was approved by Cabinet in January 2016 which may, in part, be used to provide transitional funding for a Partnership Support Programme.

The Partnership Support Programme will make available invest to save funding to partners that wish to pursue new initiatives that help to deliver sustainable savings.

One off grant funding up to the equivalent of a maximum of 3 year savings to the Council will be available subject to an acceptable Business Case being provided that demonstrates how the partner organisation will make the new

service delivery arrangements sustainable in the longer term and the partner organisation matching this funding. If the partner organisation does not invest the same or greater amount than Telford & Wrekin Council, the Council's contribution will be limited to the amount invested by the partner organisation.

In addition, for partner organisations which participate in this programme up to 25% discount on services purchased from the Borough Council will also be made available as part of the support programme. The discount will operate in the following bands:-

Annual Income Level	Discount
£0 - £10,000	0%
£10,001 - £25,000	20%
Over £25,001	25%

The recommendations in this report seek approval to allow the use of funding from the invest to Save/Capacity Fund to provide transitional funding for the Partnership Support Programme and to grant delegated authority to the Director for Customer, Neighbourhood and Well-Being Services after consultation with either the Cabinet Member for Business, Neighbourhood & Customer Services or the Cabinet Member for Council Finance and Service Delivery to agree allocations of funding from the Invest to Save/Capacity Fund to facilitate support packages in line with the principles set out above.

20. COUNCIL TAX

Council Tax in Telford & Wrekin has historically been low compared to other councils. Appendix 6 is a graph comparing council tax levels across the Midlands region and demonstrates that in the current year, council tax in this area is the second lowest in the Midlands region £1147.49 at Band D and is less than 2% higher than Dudley which is lowest (£1125.35).

Appendix 7 compares our council tax to the other unitary authorities in England and shows that we have the 6th lowest council tax at Band D out of 55 unitary authorities.

If Telford & Wrekin Council had levied a council tax at the average level of Midlands authorities (£1269.12 at Band D) in the current year, we would have generated an additional £5.7m p.a. If we levied a council tax at the same level as Nottingham, we would receive a further £14.6m p.a.

As well as a comparatively low level of council tax, this area also has comparatively low property values with the majority of our properties being in Bands A or B. Whilst this is relatively good news for local residents in terms of their council tax bill and although we appreciate that council tax bills are still a significant cost for local households, it means that we do not have the same scope to generate income from council tax as many other parts of the country

where levels of council tax are much higher and average property levels are also higher.

A further factor that has reduced resources in this area is “grant damping” whereby grant that the Government has calculated should be paid to this council is withheld and used to support spending by councils that would otherwise receive less grant e.g. as a result of reducing population numbers. In the calculations used to establish the new local government finance system which came in to effect from 1st April 2013, £1.6m pa of this loss was perpetuated in the new baseline funding settlement for the Council and will be withheld from us for the foreseeable future.

The Council also continues to suffer from a population undercount. We believe that the Office for National Statistics undercounted our population by around 4,000 people when the baseline funding settlement for the Council was set in April 2013. We estimate that this has resulted in a further loss of grant of around £1.2m pa. in recent years.

The combined impact of the above factors is:

	£m
A comparatively low level of council tax	5.7
Grant damping figure for 2013/14	1.6
The population undercount	<u>1.2</u>
	8.5

These impacts are then exacerbated by the comparatively low average property values in this area which put the average Telford & Wrekin home in Band B rather than the national average of Band D.

For the past 5 years the Government have offered a “Council Tax Freeze Grant” to Councils that have frozen council tax levels. However, after 5 years, the Government are no longer offering these grants which for Telford & Wrekin were worth the same as a council tax increase of just under 1.2% or just over £0.6m pa.

From 2016/17 the Government have, however, introduced a new “social care precept” for councils that have social services responsibilities. The Government’s projections assume that all councils that are able to take advantage of this new flexibility for each of the years covered by the CSR (i.e. the 4 year period through to, and including, 2019/20). The new precept is however to be ring-fenced to fund additional social care costs. In-line with Government expectations the Council will be introducing this new adult social care precept. The social care precept would cost band B households 34p a week. (The majority of properties in this area are in Band A or B). The Council is aware that care providers will face increased costs arising from the introduction by the Chancellor of the new national “living”/minimum wage announced in the CSR and the Council is now able to make some provision for some costs arising from this in its budget projections although negotiations with individual care providers on an open book basis will be required to justify

the release of funds which will otherwise be used for general provision of support for vulnerable adults.

The Council's budget model did not assume any increase in council tax for 2016/17 or later years. However given the continued pressure on the Council's finances due to continued significant cuts in our grants from Government, combined with the failure of the Government, after five years, to offer any further council tax freeze grants in future, the Council consulted on three options for council tax. These were:-

Option 1 – “freeze” Council Tax - This was in line with our financial planning assumption for 2016/17. (The total bill for Council services would increase by 2% because of the social care precept which would cost band B households 34p a week.)

Option 2 – increase Council Tax by 1.2% (in addition to the 2% adult social care precept – a 3.2% total increase in bills for services from this Council)

This proposed increase was equivalent to the Council Tax freeze grant that the Government had previously paid, until the Government's U-turn in approach. For the last 5 years councils were encouraged to freeze council tax and rewarded by an additional grant if they did so. A 3.2% total increase would cost Band B households 55p a week for Council services including the social care precept.

Option 3 – increase Council Tax by 1.9% (in addition to the 2% adult social care precept – a 3.9% total increase in bills for services from this Council). This would raise an extra £1 million a year. Many other councils are proposing increases at this level. Together with the adult social care precept, this option would cost Band B households 67p a week for Council services.

Whilst the Council had planned on the basis of only implementing the social care precept in 2016/17 and no other increase in council tax, we consulted on these three options given the severity of the financial outlook, not just for 2016/17 but throughout the remainder of the CSR period. The Council will face even tougher choices in 2018/19 and 2019/20. In view of the response that we received to our consultation proposals and the comparatively low level of council tax in this area, the Cabinet is now recommending that option 2 is implemented. This would see council tax bills increase by a total of 3.2% next year for the services that this council provides. This will cost an average Band B home 55p per week.

In response to our council tax consultation question we received the following responses:-

	%	Number
Option 1 (2%)	27.7	571

Option 2 (3.2%)	26.3	541
Option 3 (3.9%)	34.9	718
Other	11.1	230
Total	100.0	2,060

Therefore in total 61.2% of people chose one of the options to increase council tax by more than the 2% adult social care precept. Less than half this number selected option 1. In order to assist medium term financial planning, the Cabinet intend to apply increases of 3.2% for the remainder of the CSR period.

Even after a 3.2% council tax increase in 2016/17, Telford & Wrekin's council tax would be over £80 at Band D (over 6%) less than the Midlands average for 2015/16 even if no other council in the Midlands increased their council tax at all. However, in reality most councils are likely to increase their council tax by something close to the referendum limit now that the Government have ceased to provide council tax freeze grants and given the continued swingeing cuts to Revenue Support Grant.

The Council is acutely aware of the pressure on household budgets which is why it is not recommending an increase at a higher level which many other councils are likely to apply. However, Telford & Wrekin has sought to keep council tax as affordable as possible for many years and a balance needs to be struck between council tax levels and cuts to front line services. The graphs in Appendix 8 compare council tax increases over the last decade with inflation. Since 2006/07 the Council has increased council tax by 22.8% while inflation as measured by the Retail Prices index has increased by 34.1% (and the Consumer prices index has increased by 27.2% over the same period).

Of the £1.725m additional income that a council tax increase of 3.2% will generate in 2016/17, over 80% of this will be invested in protecting services for children and adults through the social care precept which will be ring-fenced for adult social care and the changes set out in section 17 of this report to the original savings proposals.

21. PRESSURES

The approach adopted in preparing this strategy has been to maximise ongoing savings as far as possible whilst seeking to approve only unavoidable pressures as these have to be funded from further savings.

Details of the pressures are included in Appendix 2c. As part of the budget modelling work carried out for 2016/17 a number of pressures in two specific areas have been recognised. These are:-

Adult Social Services:-

The Council has consistently prioritised the protection of vulnerable people and the level of cuts made to the Council's adult social services has been significantly less than to most other services. For 2016/17 despite the financial challenges that the Council faces we are planning to increase the budget for adult social services. Despite putting more money in to the budget for Adult Services this does not mean that the council can continue to deliver the same services in the same way. We are absolutely committed to meeting the assessed needs of vulnerable adults and will continue to do this but in new ways. This means that changes will be made to services and savings will arise from these new ways of working but these savings and other additional funding will be re-invested back in to Adult Social services in 2016/17.

In the CSR, the Chancellor announced a new "Social Care Precept" of 2% on council tax bills for upper tier authorities. Government projections in the CSR and the local government finance settlement assume that all eligible authorities implement this social care precept throughout the 4 year CSR period. This Council will implement the social care precept and will re-invest the £1.078m it will generate back in to meet cost pressures within adult social services. **In total the Council will increase the budget for adult social services by £1.648m next year compared to 2015/16.** However, as we need to continue to make savings in the face of continued Government cuts to our grant, our current projection is that the budget for Adult Services will fall back in 2017/18 to a level £0.762m less than that in the current year. The Council is trying to be as compassionate as possible in how it makes savings and this represents just 4% of the total cuts (net of pressures) over the two year period whereas spending on adult services represents around 30% of our total budget.

The Council and external providers will face cost pressures arising from the introduction of the new national minimum/"living" wage. Despite the social care precept which has been introduced by the Government, the Council is not in a good position to meet these cost pressures as this Council has a low level of council tax and also comparatively low property values which combine to give it a comparatively low yield from a 2% council tax increase. At the same time the area has a reasonably high level of need and a comparatively low level of self-funders and an exceptionally low level of Continuing Health Care funding from the NHS. Whilst some of these factors will be recognised in part by the new BCF when it is introduced in 2017/18, these factors place a great deal of pressure on the Council's budget, particularly so in 2016/17 before the new BCF is introduced. In summary, our ability to meet requests for increased payments from care providers is limited although we recognise the additional cost pressures that providers face in some areas such as pay costs but also in the context of benefits from current low financing costs and fuel costs and reductions in corporation tax.

We will therefore only be able to fund such requests from care providers on a case by case basis following an open book review of financial performance, or if we can secure further savings through our operating model and by identifying and challenging outlier costs and using the savings made to fund those struggling.

Children's Safeguarding:-

The Council has always placed the highest priority on safeguarding children and young people and there is no question that financial pressures would result in us making inappropriate decisions relating to children's safety. **This report increases the budget for children's safeguarding by £1.621m in 2016/17 compared to 2015/16 and by £66k in 2017/18 compared to 2015/16.** This investment recognises that safeguarding children from harm and neglect is the Council's top priority and aims to put the safeguarding budget on a sustainable basis. No draw down budget is therefore proposed for Children's Safeguarding. However, one-off resources of £0.5m are set aside within the service area that could be used in the event of unexpected cost pressures over and above the allowances now built in to the base budget or in the event of additional need the corporate contingency could be called upon or further savings made from other parts of the Council's budget.

A cost improvement plan is also in place for this service to address areas of pressure and to ensure that costs are contained within the increased base budget as far as possible.

22. ADULT SOCIAL SERVICES AND PUBLIC HEALTH CHANGES

22.1 Better Care Fund (BCF)

The Government have confirmed that this will continue in 2016/17. The pooled budget in 2015/16 totals £12.5m. Whilst robust local discussions are yet to be completed about the content of the plan and pooled budget there is currently no expectation of increasing the level of funding involved.

As part of the Spending Review the Government announced an additional £1.5bn of BCF funding to support councils in working with their local NHS to address the pressures on care. This funding will complement the new Adult Social Care precept with more going to Councils that raise less from the precept. This assists councils like Telford & Wrekin which have a low level of council tax, a low tax base and significant levels of need. It will tend to be less favourable to areas of the country with high property values, high levels of council tax and lower levels of need as the allocation takes in to account need as according to the 2013 adult social care relative needs formula.

Nationally the additional BCF funding will be an additional £105 million in 2017-18, £825 million in 2018-19 and £1.5 billion in 2019-20. For Telford & Wrekin the indicative figures are £0.5m in 2017/18, £3.3m in 18/19 and £5.7m in 2019/20. The final allocation of this funding will be consulted on in 2016.

22.2 Continuing Health Care (CHC)

The Council is currently in receipt of a payment of £2.4m from the CCG to recognise the impact on spending levels of the current approach to CHC. There is currently no guarantee that this payment will continue into 2016/17 and so may represent a risk to the overall budget strategy. The Council and CCG are working together to review the current approach to CHC with the Council's objective being to ensure that funding increases to levels similar to other CCG areas from the current extremely low levels and if successful this should significantly reduce this risk.

22.3 Care Act

The Care Act (Part 1) was implemented in 2015/16 and work was continuing on Part 2 for implementation in April 2016. In July 2015 the Government announced that they were suspending implementation of Part 2 until 2020 following concerns raised by the Local Government Association. All Councils received additional burdens funding in 2015/16 to address new costs arising from Part 1 and costs associated with preparing for Part 2, including additional care assessments.

This funding has been rolled into the Revenue Support Grant in 2016/17. Funding in relation to Part 1 was also allocated as part of the BCF in 2015/16 but was to be found from within existing levels of NHS funding. The CCG has not been able to release funding within the BCF to fund this element of the Care Act requirements so adding extra pressure on to the Council's budget in 2015/16; early discussions with the CCG indicate an alleviation of this pressure in 2016/17

22.4 Independent Living Fund

This fund was previously administered by Central Government but was closed in July 2015 and the responsibility for all existing clients transferred to Councils. Telford & Wrekin received a un-ringfenced grant of £730k which represented a 5% reduction of funding for three quarters of a year to fund clients' needs. The Government have now published indicative grant allocations for 2016/17 to 2019/20 for planning purposes. In 2016/17 the funding reduces by 5% with around 3% decrease indicated for the following 3 years. The reduction in grant reflects the Government's view that there will be a reducing call on this grant in future years. They will now undertake a consultation process, ending on 22nd March, before final grant figures are released.

22.5 Public Health Grant

Telford & Wrekin received a Public Health Grant of £12.485m in 2015/16, this figure included a half year allocation for the transfer of Public Health 0-5 age services to the Council from the CCG. The Government announced in June an in-year cut nationally of £200m and following a consultation this has now been implemented equally across all Councils at a level of 6.2% reduction. For Telford & Wrekin this was £773k and has been addressed by a number of in year savings of both an ongoing and one-off nature.

The Government have recently undertaken a consultation on the proposed target formula for public health grants to local authorities in England from

2016-17 which will determine any change to the overall share of the grant. The level of grant for next year has still not been announced and may not be known until January 2016.

The Spending Review confirmed the continuation of the 6.2% reduction with a further cut of £1.3m over the next 4 years. Public Health grant allocations were not published until 11 February 2016 and for Telford & Wrekin these equate to a cut of £300k in 2016/17 and a further £320k in 2017/18. The Council's budget strategy also includes an up-lift to the allocation to reflect the full year impact of the 0-5 age services.

22.6 Section 256 and Section 75 Agreements under the NHS Act 2006

To enable the council to carry out its functions with an increasing emphasis on integration with health commissioners and providers, it will be necessary for the council to enter into appropriate agreements under the above Act with various NHS bodies. These agreements, most usually Section 256 or Section 75 agreements are for large sums of money and enable the parties to meet their statutory obligations. Delegated authority is therefore requested for the Assistant Director: Early Help and Support, after consultation with the Cabinet Member: Adult Social Care, to enter into all appropriate Section 256 and Section 75 agreements as required by the Council with various NHS bodies as long as they are within the budget and policy framework and for the Assistant Director: Legal, Procurement and Commissioning to execute all necessary associated contract documentation.

23. BASE BUDGET, BALANCES AND CONTINGENCIES

23.1 Base Budget

A summary of the Base Budget position is included at Appendix 10 which shows a net base budget of £130.241m for 2016/17 before savings and investments giving a base budget funding gap of £11.122m. Appendix 11 is an analysis of the main changes in moving from the 2015/16 budget to the 2016/17 base budget.

23.2 Balances

Appendix 12 summarises the overall reserves and balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This currently shows around £2.36m available which could be taken in to account as part of medium term budget strategy considerations. However, this figure excludes the currently projected underspend in the current financial year of £3.56m as reported in the latest Financial Management report as this position will change before the end of the year.

Therefore the current projection for available uncommitted balances to support the service and financial planning strategy in future years is around £5.92m, however, it should be noted that the actual final position may be higher or lower than this depending on financial performance in the remainder of the year.

23.3 Risk Management

As an organisation which provides a vast range of different services to the community and spends in excess of £400m revenue per annum, the management of risks is an important consideration in the budget setting process. The Council has a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is regularly reviewed by Senior Management Team to manage risks and mitigate potential exposures both as part of everyday business and as part of the decision making processes. The budget for 2016/17 also includes a number of risk-mitigating elements:

- Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough and is committed to an investment programme which will safeguard the prosperity of the borough – growth will result in additional council tax, new homes bonus and business rates pending any major changes to the system including the proposed introduction of 100% retention of business rates.
- A key focus of the budget is on income generation, thus reducing the Council's reliance on Government Grant in the future.
- Although very challenging, many savings have been phased over two years to allow adequate time for full consideration, consultation and implementation.
- Contingencies have been built into the budget: a general contingency of £3.222m in 2016/17 and £2.776m in 2017/18; and additional one-off ring-fenced funding for Adult Social Services of £2.5m in both 2016/17 and 2017/18.
- £0.5m of one-off resources are available within Safeguarding to meet any unforeseen pressures.
- A robust monitoring regime is in place to identify any adverse variances early so that corrective action can take place. Additional in year savings targets have been delivered in recent years to meet service pressures.
- The projected financial position for 2015/16 currently shows an underspend which will be available to support the 2016/17 budget strategy and the delivery of future savings.
- £3m has been transferred in to the Invest to Save/Capacity Fund and £3m has been transferred in to the Severance Fund during 2015/16 to support the delivery of ongoing savings.
- The Council has £2.36m "available" General Fund balances as a safeguard against unforeseen costs (prior to any increase as a result of the anticipated favourable outturn for 2015/16). An annual review of reserves and balances has been undertaken to ensure that the level of reserves is appropriate for their purpose and to release any funds no

longer required so that these can be used for service delivery. In extreme emergency circumstances, general balances and some other funds that have been set-aside for specific purposes could be used and then replaced as part of a future strategy.

- The Council holds £11.92m set aside for one-off costs associated with the equal pay settlement. This is a significant sum which will be reviewed as modelling work on the likely settlement is firmed-up.
- Capital programme resources are available, in accordance with the Prudential Code of Borrowing and capacity may exist to capitalise expenditure planned to be funded from revenue in extreme circumstances.
- As part of the provisional 2016/17 settlement the Government have issued draft guidance on a proposal to allow councils the ability to use capital receipts flexibly to fund the revenue costs of service reform. This would include costs associated with service reconfiguration, restructuring and rationalisation of staff where this leads to ongoing efficiency savings. This flexibility would apply for three years from April 2016 and apply to receipts generated from the sale of fixed assets during this period. Information provided as part of the provisional settlement indicated that in order to take advantage of this flexibility full Council would need to approve an “Efficiency Strategy” before the start of the year concerned. The draft efficiency strategy is included as Appendix 18 to this report although it is currently unclear when final guidance will be issued by CLG.
- An Invest to Save/Capacity Fund is in place to provide additional resources for priority areas and to assist with the delivery of savings.
- There is an effective Treasury Management Strategy which aims to maximise returns for the Council while minimising risks with a solid track record of exceeding income targets set.
- Appropriate insurance arrangements are in place to safeguard the council’s assets and protect against liabilities.
- Financial advice and support is provided by professional and experienced in-house finance staff, drawing on external knowledge for specific projects where appropriate.
- All reports considered by SMT and Cabinet are required to include financial and legal comments prepared by suitably qualified officers to ensure that financial and legal implications are clearly understood before decisions are taken.

These factors together with the Council’s long track record of effective financial management over what has been an exceptionally challenging period of austerity which is unprecedented both in scale and duration provide comfort that the Council is in a sound financial position.

Financial outturn has been very close to the net budget set during the previous 8 years and in none of these 8 years has the Council overspent despite the severe financial challenges that it has faced:-

- 2007/08 – underspent by £0.300m (0.27% of budget)
- 2008/09 - underspent by £0.366m (0.31% of budget)
- 2009/10 – underspent by £0.332m (0.27% of budget)
- 2010/11 – underspent by £0.083m (0.07% of budget)
- 2011/12 – underspent by £1.843m (1.42% of budget)
- 2012/13 – underspent by £0.055m (0.04% of budget)
- 2013/14 – underspent by £0.099m (0.07% of budget)
- 2014/15 – underspent by £1.145m (0.89% of budget)

Despite the further challenges that the Government have now presented with the latest grant announcement, the factors above demonstrate that the Council is pursuing a sound financial strategy.

23.4 Inflation Assumptions and Contingencies

The Council's budget model includes an allowance for pay awards of 1.0% for 2016/17 and 2017/18 and 1.5% for 2018/19. If actual pay awards are lower than this the saving will be used to reduce the savings requirements for these years. If they are higher the Council will need to find further savings. The Chancellor has announced an expectation that public sector pay increases will not be greater than 1% pa, however after 6 years of considerable pay restraint which have seen the pay of council employees cut in real terms by just under 20% (and considerably more for the most senior staff) there is a risk that as the economy improves the Council may not be able to retain or attract suitably skilled staff to deliver services in what is now a very challenging environment.

In accordance with practice in recent years, no allowance has been built in for general inflation, although some provision for contractually committed inflation has been made and some provision for the additional costs that care providers will face as a result of the new national "living"/minimum wage. .

The base budget for 2016/17 includes a revenue contingency of £3.222m reflecting an increase of £0.446m since the initial report considered at Cabinet on 7 January and additional one-off ring-fenced funding of £2.5m for Adult Social Services. One-off service balances totalling £0.5m are available to support any additional pressures in children's safeguarding over and above the £1.6m increased budget allocation included for the service in 2016/17.

23.5 Single Status

The Council is planning to implement a new job evaluation scheme during 2017/18 to meet the requirements of the single status legislation. An allowance for additional costs arising from this has been built in to the budget for 2017/18 of £1.445m (net of the £0.1m cut detailed in Appendix 2). This includes the cost to the Council of the Government's new national "living"/minimum wage which is expected to be around £0.51m pa when fully

implemented. This leaves just over £0.9m for further costs arising from the implementation of the new scheme. This is after allowing for existing commitments against the funding previously earmarked e.g. to meet the costs of moving away from fixed point grades and some additional payments for social workers to reflect market rates. It is in the context of introducing a local job evaluation scheme that will have a lower on-going cost than previously assumed. In addition to the ongoing budgetary provision £11.9m one-off funding was set aside several years ago to meet any one-off costs associated with implementing the single status agreement.

24. PAY POLICY

The Council's Pay Policy for 2016/17 was considered at Personnel Committee on 11 February 2016. The Localism Act 2011 requires local authorities to produce an annual Pay Policy Statement. The Act requires the statement to detail the Council's policies in respect of remuneration at various tiers within the Council. The Act does not apply to local authority schools.

The purpose of these provisions is to provide transparency with regard to the Council's approach to setting the pay of its employees by determining:

- The methods by which pay is determined.
- The detail and level of remuneration of its most senior staff
- The Committees responsible for ensuring consistent application of the provisions set out in the Statement.

The Council's Pay Policy Statement details

- pay negotiation bodies,
- initial allocation of pay points.
- lowest paid employees and the ratio comparison with the highest paid officers.
- Senior management remuneration.
- the recruitment of chief officers
- additions to chief officers pay
- termination payments
- where accountability and responsibility lies.

The Pay Policy for 2016/17 is included as Appendix 5 of this report.

25. EDUCATION FUNDING – DEDICATED SCHOOLS GRANT

The Dedicated Schools Grant is received in 3 blocks of funding, Schools Block, which is mostly delegated to schools, High Needs Block (which funds Special Education needs placements and support, Special Schools and Pupil Referral Units and alternative provision), Early Years Block which funds provision for 2, 3 and 4 year olds.

The DSG notification for 2016/17 is £132.909m before any recoupment for academies. There is no change to the cash amount per pupil in the Schools or Early Years blocks from 2015/16 but the High Needs allocation has increased by £310k.

The School Block figure represents a continuation of the additional funds to ensure 'Minimum Funding levels' for all local authorities in 2016/17. This is good news for Telford & Wrekin as this delivered £1.3m of additional funds in 2015/16, continuing into 2016/17. Most mainstream schools will receive a cash increase in funding in 2016/17 arising from increases in pupil numbers. Across the Borough this totals around 600 pupils, leading to an additional £2.8m of Schools Block DSG. Reductions in funding per pupil continue to be protected by the national Minimum Funding Guarantee (MFG) for schools which means that no school's funding can reduce by more than 1.5% per pupil, per year. However, all schools, special and mainstream, will face significant inflationary pressures in 2016/17 due to a combination of national insurance and pension contribution increases combined with pay awards and any general inflation.

The final allocation of Early Years funding for 2016/17 will be based on numbers of eligible children recorded on the January 2016 and January 2017 censuses, so the notified allocation is an initial indication only. Government indications that the funding rate for Early Years could increase in 2016/17 have not been fulfilled.

The DfE had advised local authorities to assume that there would be no increase in High Needs funding in 2016/17, so the additional £310K is a welcome addition. However, a combination of basic demographic pressures (more pupils in the area) and such factors as medical advances (children survive to school age who would previously not have done so) over a number of years has led to an increasing demand which cannot be accommodated within our current high needs provision. In November the Cabinet approved a change to our local funding formula that transferred c. £600k from the Schools Block to the High Needs Block to address this pressure. The additional grant will ease some of the immediate pressure in this area.

Pupil Premium will be allocated at the same amount per eligible pupil as 2015/16 rates.

The amount of Education Services Grant paid to Local Authorities for each pupil in a maintained school has reduced from £87 to £77. This represents a reduction of £217K in 2016/17 on what we would have expected to receive. The initial allocation is subject to further reduction for any conversion of mainstream schools to Academy status (the £77 per pupil is then passed to the academy). The budget strategy currently assumes a further loss of £346k in 2017/18.

The final DSG allocations will not be confirmed until March 2016 for the Schools and High Needs Block, with the Early Years Block being confirmed in July 2017. Once known budgets will be updated to reflect the final grant

allocations which will require a number of virements for which delegated authority is sought. There will be no impact to the Council's overall budget total.

26. EQUALITY IMPACT ASSESSMENT

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

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

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

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

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

Appendix 3 details an overall impact on the budget strategy and details progress on equality impact actions for individual identified proposals.

27. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENT.

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

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

An economic impact assessment has also been undertaken for those proposals that have a significant individual economic impact (and is also included in Appendix 4). Clearly reducing spending by the council will impact on the local economy for example through fewer people being directly employed by the council and less business being placed by the council with local suppliers as spending cuts are made. The Council adopts a proactive business supporting and business winning approach which will reduce the adverse economic impacts caused by the Government's continuing cuts to our grant.

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

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

Appendix 14 gives a more detailed view, but overall, given the continued delivery of savings which now total over £80m, the long-term service redesign, particularly in relation to Adults and Children's services, the commercial approach being adopted, and the investment being made in the borough, it is considered that the Council is pursuing a sound financial strategy in the context of the most prolonged and challenging financial position it has ever faced due to the combined effect of Government grant cuts and increased service pressures.

29. NEXT STEPS & TIMETABLE

Once the service and financial planning strategy for 2016/17 has been approved by full Council on 3 March 2016 and the council tax resolutions have been decided, it will be imperative that considerable resource is devoted to rigorous financial management and monitoring by all managers and budget holders. All managers need to effectively and proactively manage their business.

The Council faces many financial challenges over and above the obvious and very significant reductions in Government grant. There are many risks and uncertainties inherent in the new financial system that was imposed by the Government during 2013/14. However, the new local government finance system also presents many opportunities that this Council is ideally placed to be able to take advantage of.

As well as exercising tight financial control and effective financial management, managers and Cabinet Members will need to turn attention to the medium term financial strategy beyond 2017/18 in order to identify further

savings and opportunities for additional income to bridge the significant projected budget shortfalls through to 2019/20. In the CSR and subsequent Local Government Finance settlement, the Government announced a number of consultations e.g. on New Homes Bonus and the retention of 100% of business rates. The Council will need to actively respond to these consultations and ensure that the implications of the final changes are understood and opportunities are maximised and the associated risks are effectively managed. The implications of the 2017 business rates revaluation and the 2016 triennial superannuation valuation will also need to be effectively assessed and managed.

30. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- LGA Briefing on the Comprehensive Spending Review
- LG Futures CSR and Local Government Finance Settlement briefings – December 2015
- BBC News Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Council – 26th February 2015
- Newcastle City Council – Heat Map.
- Municipal Journal – 8th October 2015, article by Dan Peters, “Drop In Senior Numbers”
- “Being The Change” Report by Managing Director, December 2015
- Service & Financial Planning Strategy report to Cabinet 7 January 2016

Report prepared by:-

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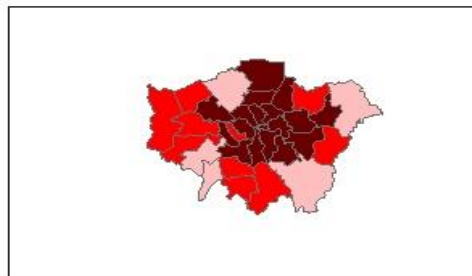
2015/16 Area change in spending power

Key

% Change

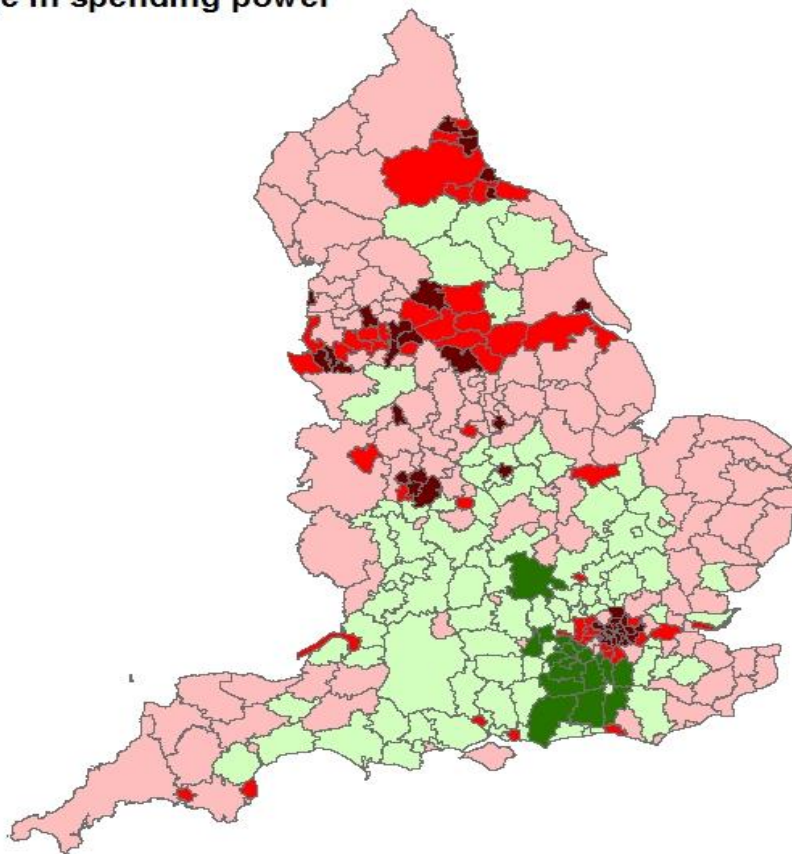
-  Loss of > - 4%
-  Loss of > - 2% to -4%
-  Loss of up to - 2%
-  Gain of up to 2%
-  Gain of >2%

London Borough Authorities



Newcastle
City Council

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SUMMARY OF SAVINGS PROPOSALS

Area	Additional Savings Proposed			Pressures Identified			Total Additional Savings Net of Pressures		
	2016/17	2017/18	Total	2016/17	2017/18	Total	2016/17	2017/18	Total
	£	£	£	£	£	£	£	£	£
Neighbourhood & Customer Services	2,910,660	2,414,010	5,324,670	(338,000)	0	(338,000)	2,572,660	2,414,010	4,986,670
Leisure, Culture & Facilities Services	501,000	749,500	1,250,500	(104,000)	(75,000)	(179,000)	397,000	674,500	1,071,500
Development, Business & Employment	966,000	651,350	1,617,350	(18,000)	0	(18,000)	948,000	651,350	1,599,350
Finance, Audit & IG	5,945,750	(188,000)	5,757,750	0	0	0	5,945,750	(188,000)	5,757,750
Law, Democracy & People Services	553,000	430,000	983,000	0	0	0	553,000	430,000	983,000
Cooperative Council Delivery Unit	491,470	50,000	541,470	(36,280)	(20,000)	(56,280)	455,190	30,000	485,190
Childrens Safeguarding & Specialist Services	354,090	1,555,000	1,909,090	(1,974,930)	0	(1,974,930)	(1,620,840)	1,555,000	(65,840)
Education & Corporate Parenting	1,047,300	544,250	1,591,550			0	1,047,300	544,250	1,591,550
Family, Cohesion & Commissioning	794,190	1,226,680	2,020,870	(285,000)		(285,000)	509,190	1,226,680	1,735,870
Public Health, Wellbeing & Public Protection	740,980	508,840	1,249,820	(231,000)		(231,000)	509,980	508,840	1,018,820
Adult Social Services	3,845,000	4,230,000	8,075,000	(5,493,000)	(1,820,000)	(7,313,000)	(1,648,000)	2,410,000	762,000
Total	18,149,440	12,171,630	30,321,070	(8,480,210)	(1,915,000)	(10,395,210)	9,669,230	10,256,630	19,925,860
Cumulative	18,149,440	30,321,070		(8,480,210)	(10,395,210)		9,669,230	19,925,860	

Leakage - **272,242** - **182,574** - **272,242** - **182,574** - **454,816**

Cumulative less leakage **17,877,198** **29,866,254** **9,396,988** **19,471,044** **19,471,044**

Check totals - - - - -

Summary of Additional Savings by Type - 2016/17 and 2017/18

Area	Funding	Income	Staffing	Non-Staffing	Property Rationalisation	Service Review/Redesign	Total	
	£	£	£	£	£	£	£	
Neighbourhood & Customer Services	1,348,680	1,106,000	1,285,020	444,180	140,000	1,000,790	5,324,670	-
Leisure, Culture & Facilities Services	-	524,000	332,000	63,500	-	331,000	1,250,500	-
Development, Business & Employment	250,000	565,000	40,000	90,000	124,350	548,000	1,617,350	-
Finance, Audit & IG	-	30,000	369,750	5,358,000	-	-	5,757,750	-
Law, Democracy & People Services	-	20,000	600,000	48,000	-	315,000	983,000	-
Cooperative Council Delivery Unit	-	62,500	463,970	15,000	-	-	541,470	-
Childrens Safeguarding & Specialist Services	-	-	159,090	1,750,000	-	-	1,909,090	-
Education & Corporate Parenting	-	284,840	573,010	52,700	-	681,000	1,591,550	-
Family, Cohesion & Commissioning	-	40,000	1,607,240	-	71,630	302,000	2,020,870	-
Public Health, Wellbeing & Public Protection	-	6,030	127,840	41,830	-	1,074,120	1,249,820	-
Adult Social Services	-	1,000,000	-	-	-	7,075,000	8,075,000	-
Overall Total	1,598,680	3,638,370	5,557,920	7,863,210	335,980	11,326,910	30,321,070	-

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Description of Saving				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			2016/17	2017/18	Total Ongoing Saving						
			£	£	£						
Neighbourhood & Customer Services											
1	Staffing	Reduce structure in Highways Team	262,000		262,000	Angie Astley	Realised through vacancies and service restructure.	reduce road safety service and training and will impact on our ability timescales to respond in some areas	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Schools and other organisations may have to go elsewhere to purchase road safety and travel planning services and advice.	May see a reduction in the speed of turnaround for some enquiries so expectations will need to be managed
2	Staffing	Further reduction in ICT structure	30,000	45,000	75,000	Angie Astley	further merger of jobs will deliver economies of scale have already delivered substantial savings previously and ICT resource required to support channel shift, cloud, mobile working etc in support of other savings	Savings are across the board in ICT to help limit the impact in any one specific area. Overall may reduce the speed of response in some instances	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	May see a reduction in the visibility of ICT managers as the savings are at management and supervisory level at the protection of front line ICT staff	Will be automating more services so customers can self serve and the consolidation of all applications may help to deliver further economies of scale
3	Staffing	Reduced structure in Neighbourhood services following a move to locality working and building on robust contract management arrangements already in place and a revised approach to business and admin support	120,000	420,000	540,000	Angie Astley	A move to 2 locality teams with multiskilled officers covering public realm, highways inspections, waste, trees, etc... to secure economies of scale in advance of the Grounds & Cleansing, Highways, and Street Lighting tenders. Will include a robust contracts management team with the skills to tightly monitor contracts as per recent success on waste	Will require support from members as the team will have to say no far more than ever before and will be unable to continue with the amount of member and public engagement. Will present an opportunity for robust monitoring of contracts including waste, street lighting, grounds and cleansing. May potentially reduce our enforcement activity	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	We will need to remain within the service specification for delivery of neighbourhood services as defined and officers will no longer be able to undertake as much exploratory work for members and may find themselves having to say no more often.	Will need to put a communications plan in place to help manage the future expectations for all stakeholders accessing this service in particular ward and parish councils
4	Staffing	Reduction in structure in recently merged benefits and customer service function including a saving of a service delivery manager salary	208,000		208,000	Angie Astley	Will look for economies of scale following the merger to share resources and staff but will include a reduction in both benefits and customer services functions	May take longer to assess claims for benefit or process change of circumstances. May take longer to deal with customer complaints and in advance of channel shift plans could impact on the contact centre in the very short term but merger presents opportunities to mitigate some of this risk	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	May see a reduction in the turnaround time for benefit assessments and customer complaints	the merger should offer the opportunity to consider economies of scale to limit the impact. Channels shift plans will help to mitigate the performance in the contact centre and help to limit impact in benefits
5	Staffing	Reduction in management posts following a move to one contact centre.		50,000	50,000	Angie Astley	Will require the support of AD's to agree to migrate smaller call centres into the main contact centre to realise further economies of scale	Positive impact as more staff co located give greater opportunity to cope with peaks in demand	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Will require a review of all standalone call centres and merger into the corporate contact centre. This will require resources to transfer with the service and offers economies of scale to deliver this saving	N/A
6	Income	Increased revenue from weddings and burials as a result of a price increase following benchmarking	37,500	25,000	62,500	Lee Higgins	Increase of 10% for Weddings and 20% over 2 years for burials	Price increase	None	None	None
7	Income	Additional income from new highways Permit Scheme for utility companies working on our highways following successful invest to save bid.		70,000	70,000	Keith Harris	70k is in addition to income already included in Invest to save	Will help to ensure we manage who is working on our highways and ensure there are consequences for staying longer than planned. Positive impact on residents and businesses in proactively managing street works.	Business case includes appropriate levels of staff to resource this initiative.	None	None
8	Service Review/Redesign	Reduce Concessionary Fares budget in line with passenger numbers which have dropped significantly over the last 3 years so no impact on service	60,000	130,000	190,000	Keith Harris	Historically passenger numbers have been reducing, giving an opportunity to reduce spend without impacting on service delivery.	None	None	None	None
9	Non-staff	Reduce consultancy budgets in Highways	50,000		50,000	Keith Harris	Budget historically under spent no major impact	None	None	None	None
10	Non-staff	Reduce Bus Shelter R&M budget	20,000	17,000	37,000	Keith Harris	Budget historically under spent.	None	None	None the budget has been underspent so appropriate to reduce to new spend levels	None
11	Income	Increase in Ironbridge Seasonal Permits to £115 pa for Businesses	3,500		3,500	Keith Harris	Increase seasonal permit charge to more accurately reflect a contribution towards the upkeep of Ironbridge car parks yet still provide a value for money facility.	An increase from £55 to £115 p.a. Still provides a business with value for money as this represents a daily charge of around 50p per day, which compares favourably with the cheapest daily charge of £2.90 to park all day in a long stay car park.	None	None	None
12	Income	Income from implementation of new transport model = charge to developers to access information and expertise.	5,000	5,000	10,000	Keith Harris	We have a wealth of data that will assist developers in pre planning stages however we intend to make a small charge for accessing this data	This only affects land and property developers who seek to increase land values. Does not affect residents or other businesses.	None	Charge to developers however the data is robust and has a value and should help in supporting future developments	Risk is developers decide not to use our transport model so income target set will not be met
13	Income	Increase income by ensuring highways professionals and the Geotechnics team win business from Property and BIT Teams which is currently being spent with private sector as well as attracting other councils as external customers	30,000	40,000	70,000	Keith Harris	Requires change in approach within Regeneration & Investments and Planning to use in house services of both Highways. Includes a 2% increase on Geotechnic fees (market rates)	None	Relies on Engineering teams have appropriate numbers of skilled staff to deliver work.	Will require the support of other council teams to utilise this in house service and not spend with private companies	Failure to recruit and pay for skilled engineers
14	Service Review/Redesign	Net reduction in contract costs by moving Stoneyhill monitoring in-house (currently contracted to Biogas).	5,000		5,000	Keith Harris	Using an existing staff member to take over Stoneyhill land fill monitoring instead of engaging an external body, and increasing capacity by using that staff member to undertake other related roles	None	Requires an existing fixed term post to be extended to cover both the Stoneyhill monitoring duties and other related roles in the Geotechnics team.	None	None
15	Income	S38/S278 - increase in one or more of the banded fee percentages for S38/S278 works based on past 12 months development activity.		50,000	50,000	Keith Harris	Increase the fees levied against developers to enable the Council to check and approve highway designs when developers construct new roads for adoption (S38 Agreement) or undertake work on the existing highway (S278 Agreement).	Change of policy required.	requires flexibility and commercial approach in recruitment due to competing with the private sector in a current vibrant professional field of work stimulated by the Govt growth agenda	None	Risks of not recruiting
16	Income	PROW - Public Rights of Way Legal Orders - Legal Order fee taken up front rather than upon completion of a successful Order	15,000		15,000	Keith Harris	Attract fees from developers to process alterations to Rights of Way at the start of the process, in order to cover costs when proposed changes are not successful. Income based on 10 Orders per annum at £1,500.	This only affects land and property developers who seek to increase land values. Does not affect residents or other businesses.	None	None	None
17	Income	introduce a revised charging model for Bulk collections		30,000	30,000	Debbie Germany	There is a budget income target which is currently covered by Pride bulk collections so this would need to be delivered first hence a year 2 saving. Based on sliding scale of charges 1-3,4-6, 7-9, 10-12, increase falls after 4 items. Would retain Newport and other discounted offer but will also need to consider inflationary increases through the current contracts.	Robust benchmarking suggests £18 as a fixed fee is very cheap compared to the other 20 councils benchmarked. £18 for 1-3 items, £30 for 4-6, £45 for 7-9 and £70 for 10-12	None	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
18	Service Review/Redesign	Reduce subsidy on recycling credits		16,000	16,000	Debbie Germany	The Recycling Credit Scheme was first introduced in Section 52 of the Environmental Protection Act (EPA) 1990 in the absence of other policy levers to encourage recycling. While not a mandatory requirement, it provides waste collection and disposal authorities with the power to pay not for profit third parties credits as a result of their own collection activities diverting recycling material from landfill. Where residents do not have an option to recycle through the Council's collection service this has helped Telford & Wrekin Council to meet its Duty of Care to secure continuous improvements in terms of economy, efficiency and effectiveness of the management of waste. Residents now have the opportunity to recycle materials through the current range of recycling collection services, with new arrangements being introduced in April 2014 with the Veolia contract	Some charities who have had this service for free will have to make a payment to have their recycling collected however they will still secure a payment for recycling	None	Introduction of a charge for some charities who currently get this service for free and which is subsidised by the council	None
19	Staffing	Alternative 24/7 provision and urgent response within Neighbourhoods.		10,000	10,000	Dave Hanley	Review the 24/7 service and urgent response including stand by payments.	None	Review against other 24/7 services in T&W for any economies of scale?	None known at present	None
20	Service Review/Redesign	Grounds Maintenance rationalisation - remove Chemical use for tackling weeds and reduce grass cutting on large amenity open spaces not directly adjacent to households	80,000		80,000	Dave Hanley	Comfort period before weeds are needed to be treated along grass edges of shrub beds and fence lines and footpaths. £180K assumes we will need to provide for loss of profit on TWS contract. Only cut amenity grass directly adjacent to households and formal & informal footpaths 12 times a year. Large grass swathes to be cut twice a year	Will have to target grounds maintenance to manually address weeds in hot spot areas.Will not impact on spraying along highway kerb lines or highway footpaths. Mixed views expected by reducing grass cutting. Some residents may see it as unkempt whilst others will see it as beneficial for the local environment	None for T&W but may impact on TWS	None but will need to manage expectations of customers and members due to this reduction in service	May have more weed growth but not in our main areas
21	Service Review/Redesign	Reduce litter picking frequency from monthly to one every 3 months but protecting TIAs.	15,000	75,000	90,000	Dave Hanley	As above re loss of profit claim. Perception is the borough is clean and we can afford to manage this reduction but could impact on perception	Protecting TIA's which tend to demand the most support to address litter	None	None but parishes may choose to fund to increase litter picks in their areas	Parish funding
22	Service Review/Redesign	Stop annual flower schemes including wild flowers, and approach Parishes to contribute to them going forward.		20,000	20,000	Dave Hanley	Can no longer justify spend when other cuts are being made	Discussions required with Parishes	None	As above	As above
23	Service Review/Redesign	Decommission play areas - reduce maintenance of the sites 24 Pageant Drive, Aqueduct , 120 Aqueduct Drive, Doddington Hollinswood, Dudmaston, Hollinswood, Brands Farm Way, Dodmoore Grange, Boulton Grange, Cornbrook, Stirchley, Beckberry Drive, Berberis Road, Leegomery ball court, Smallwood, Sutton Hill 102 or 27 not both, Wrekin Avenue and Gravelly Drive. (ANNUAL AVERAGE COST OF UPKEEP £2K EACH AREA)		28,000	28,000	Dave Hanley	Invest to save TBC actual areas and may need to fund risk of loss of profit for TWS claim	Town and Parish council may choose to fund to allow upkeep to continue and not to remove the play area	None	As above	As above
24	Service Review/Redesign	Reduction of Sweeping frequency to 1.5 times a year and rationalise Zone 1 cleansing boundaries		40,000	40,000	Dave Hanley	Further savings from waste reduction will materialise from this but could impact on reputation but perception is borough is clean when compared to other areas	Due to district centre and box road improvements, boundaries have changed and will allow for alterations in service standards	None	Reduced service in non priority areas	Work with TWS
25	Service Review/Redesign	Efficiency savings in Environmental Services	30,000	25,000	55,000	Dave Hanley	Efficiency savings across the service.	None	None	None	None
26	Service Review/Redesign	Reactive maintenance - reduce the amount of resource committed to this		110,000	110,000	Dave Hanley	Will reduce the speed of responding to highway reactive maintenance requests and will need to amend charter accordingly	Change of policy required.	None	Reduced service in non priority areas	None
27	Service Review/Redesign	Lighting energy from invest to save - move to LED' lighting across the borough and look to dim lights during the evening		100,000	100,000	Dave Hanley	Invest to save secured. Major positive already from installing LED lighting. This will improve lighting but at the same time deliver a saving on energy. More savings in Year 3,4 onwards as LED's deployed	None	None	Positive impact will deliver major energy savings	None
28	Income	Developer section184 - change charge out rates and/or develop sliding scale options based upon size of development.		30,000	30,000	Dave Hanley	Increase on current income stream, developer contribution for accessing our highway network, sliding scale of charges based upon number of houses etc for breaking kerbside access etc.	None	None	None	None
29	Income	Internal Consultants. In house Fee earning for major schemes, LEP, drainage, flood risk assessments etc.. other developments.		80,000	80,000	Dave Hanley	Net saving, would need to recruit to ensure skill set in place	Change of policy required to always go in house first by the BIT and Property service teams	requires flexibility and commercial approach in recruitment due to competing with the private sector in a current vibrant professional field of work stimulated by the Govt growth agenda	If staff are used to check S38/S278 highway designs as part of the statutory planning process, there must be sufficient numbers of skilled staff available at all times in order that deadlines are met.	none
30	Non-staff	TWS review of pension costs to TWS for TUPE staff.	20,000		20,000	Dave Hanley	Savings on our pension contribution	None	None	None	Will need to build this back in in 2019/20 for funding envelope
31	Income	Insurance claim income from Traffic Accidents and damage to T&W assets.	20,000		20,000	Dave Hanley	Historically over recovered against current income targets.	None	None	None	None
32	Non-staff	Library Service - Reduce the book fund by 50%	86,410		86,410	Lee Higgins	Will leave 50% to help others involved in Libraries to sustain books on shelves /ebooks	This will reduce the number of new and replacement books available within the libraries	None	None	None
33	Service Review/Redesign	Cease Mobile Library Service		40,560	40,560	Lee Higgins	Buy out lease via invest to save	This will remove the library service in the rural communities, so they will have to travel to one of the static libraries or access us on line via our e book service	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employees where possible.	None	None not cost effective to continue due to low take up and potential for books to be delivered by volunteers
34	Service Review/Redesign	Close Madeley Library		117,220	117,220	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines. Includes business rates of £13.2k and cleaning costs of £6.4k. To make the full saving the council would need to divest itself of all staffing and building related costs and undertake full consultation to avoid legal challenge	Would see a reduction in the councils first point service at key libraries in line with our channel shift objectives . Also reduces the availability of public access however these could be relocated to Community Centres or parish offices	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employees where possible.	None however parish may decide to provide funding for a book loan scheme	Will attract negative publicity from library users

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
35	Service Review/Redesign	Close Storchley Library		15,870	15,870	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines. Includes business rates of £2k. As above	There is a potential for Storchley Parish council to run the service as its currently co-located with them already and they already look after it when the librarian is not there for half of the week	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None however parish may decide to provide funding for a book loan scheme	Parish and library already share the sme space and parish to provide part time cover already
36	Service Review/Redesign	Close Donnington Library		13,530	13,530	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines. Includes business rates of £3.5k and cleaning costs of £2.5k. As above	Also reduces the availability of public access PC's however these could be relocated to Community Centres	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None however parish may decide to provide funding for a book loan scheme	None
37	Service Review/Redesign	Close Dawley Library		13,080	13,080	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines.	Also reduces the availability of public access PC's but these could be relocated to Community Centres or parish council	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None however parish may decide to provide funding for a book loan scheme	None
38	Service Review/Redesign	Reduce Opening Hours of Newport Library by 1.5 days per week and retain as a first point service with a self service only community library		56,530	56,530	Lee Higgins	Monday and Saturday afternoons are the least busiest times. The First Point Service is well regarded and following consultation a decision has been taken to retain the First Point Service and install self service for book loans.	A librarian service would only be offered for a few hours each week and there would be a reduction in opening hours	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None however parish may decide to provide funding to retain the full library offer	None
39	Staffing	Close Hadley Library		10,930	10,930	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines.	Also reduces the availability of public access PC's but these could be relocated to Community Centres	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None however the school may decide to take on and deliver their school library from the building	None
40	Staffing	Oakengates Library - theatre staff to take on full ownership following implementation of self service kiosks.		9,090	9,090	Lee Higgins	Includes staffing, non staffing and operational building costs. The operational building savings would fall to Asset & Property budget lines.	Already has self service	None	Will be managed by the theatre team staff	None
41	Staffing	Reduction in development team and support costs for Libraries which will be achieved as long as their is support for the Library closures outlined		120,000	120,000	Lee Higgins	Would rely on above decisions around libraries being taken	This will reduce community engagement/development activities and summer activities eg reading challenge, toddlers etc..	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None	none
42	Non-staff	remove use of the Respond complaints database and migrate to CRM in support of channel shift plans		3,700	3,700	Lee Higgins	Part of channel shift plans and ability for contact centre to pick up this work	None	None	None	none
43	Income	Work in partnership with Maninplace, YMCA and Telford Christian Council (charitable landlords) to assist them to gain Registered Social Landlord status - this will increase the level of Housing Benefit Subsidy received by the council to fund housing benefit for their tenants	127,500	62,500	190,000	Lee Higgins	This will not be affected by universal credit so will be an ongoing saving for the Council. All three charitable landlords are already working on this in support of the councils savings agenda but are at different stages of a lengthy process	None	None	None	None
44	Funding	Continue Council Tax Support reviews of individual customers to identify any unreported changes of circumstances which may mean we are paying more Council Tax Support than the customer is entitled to	500,000		500,000	Lee Higgins	£400,000 has already been identified and a further 100K is anticipated in 16/17	None	None	None	None
45	Funding	Implement the new Council Tax Support scheme for 2016/17 subject to consultation and introduce a 25% reduction from 17/18 onwards	220,000	235,000	455,000	Lee Higgins	This would result in a 25% reduction in CTS to claimants in 2017/18 and may require individual consultation	Will result in a 4% reduction to council tax support currently 21%. Will mean less support and more people liable for council tax. Some councils are consulting on a 40% reduction.	None	Will need to retain our hardship fund to assist those in most need	None
46	Funding	Continue with our £2million business rates project - looking for businesses liable for business rates but not on the rating list	113,680		113,680	Sophie Lane	Additional business rates identified through proactive work already undertaken by the Revenues team	Fair to all tax payers to ensure all those liable for business rates are identified and payments made	Invest to save to recruit 1 additional person to support collection overall	Major income stream for the council	None
47	Funding	Additional Business Rates growth through our business winning strategy	250,000		250,000	Sophie Lane	Additional business rates from growth in the Borough that has been identified through in year monitoring. The growth has been split 50:50 with Development, Business & Housing	Will help to protect front line services	None	Major income stream for the council	None
48	Non-staff	New contract for Docs on line our document imaging service has already been negotiated and will deliver savings identified	36,000		36,000	Sophie Lane	Saving available in 2015/16 through a re-tender exercise	none	None	Positive will make savings for other users	None
49	Funding	Undertake an annual review of Single Persons Discount to ensure we are not awarding discount that the customer is no longer eligible to receive	30,000		30,000	Sophie Lane	Residents often forget to tell us when their circumstances have changed and they no longer qualify for single person discount.	None	None	None	None
50	Non-staff	End contract with Experian and G Force and benefit from additional postage discounts following lease of a new franking machine	15,000		15,000	Sophie Lane	Tracing services will be undertaken by our new Enforcement Agents, we are changing processes so that we no longer require a courier service, and further Royal Mail discounts can be achieved with a new franking machine.	None	None	None	None
51	Income	Implement a new discretionary procedure to Charge interest on overdue payments for sales ledger invoices for certain customers	5,000		5,000	Sophie Lane	May be difficult to collect but worth exploring	May impact on those businesses who are late payment their debt to the council	None	None	Will need to be implemented on a discretionary basis and not as a default position
52	Non-staff	The move to employee two enforcement agents has allowed a reduction in current costs.	20,000		20,000	Sophie Lane	Re tender of the Enforcement Agent contract means that the execution of warrants can be delivered at a reduced cost.	None	None	None	None
53	Income	Invest to save on member of staff in the Revenues Recovery team with a focus on increase collection rates - benefit overpayments & business rates	70,000		70,000	Sophie Lane	Increase staffing by 2 to achieve this additional return in income collection in the areas of business rates and benefit overpayments	Will help to generate more revenue to protect front line services	Invest to save to recruit 1 additional person to support collection overall	None	None
54	Non-staff	Building Savings from buildings no longer in use (Carwood Residential home). This saving crosses over Neighbourhood & Customer Services and Development, Business & Employment.	45,950		45,950	Deb Williams	Assumes that buildings can be sold or reused elsewhere. Or potential capital receipt not yet accounted for	None impact already has taken place	already achieved staff savings	None but potential for capital receipt	Building is left empty for too long
55	Income	Looking to generate new income from external customer base accessing the new My Options In house adult provider care Service	250,000	150,000	400,000	Deb Williams	Win new business from children services, self funders and review of operating costs including community support	Exploring ways to ensure we remain competitive by further reducing operating costs and further review of service set up including recent decision to consolidate residential services at Downing House to help deliver some of this saving	None	Helps to keep in house provider services competitive and to attract new customers	ASC will be purchasing less care and the move to direct payments and p/a's means the choice to access this service will be with the service user and not commissioners of care

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17 £	2017/18 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
56	Non-staff	Renegotiate lease cost of the photocopiers, and reduce numbers across addenbrooke, Darby, Wellington council offices, including removing the ability to make colour copies	79,120		79,120	Kirsty King	Remove the insurance cost from the lease charge as covered by main insurance policy. Only have 1 per floor maximum, remove colour copying and Cancel A3 building lease	None	None	None	None
57	Non-staff	Reduce the ICT training budget	15,000		15,000	Kirsty King	Look to do more on line training for free	None	None	None	More on line training
58	Non-staff	Withdraw members broadband lines	36,000		36,000	Kirsty King	The deployment of Surface Pro's will support this along with a move to reduce print budgets	None	None	Members budgets	members will need to use own broadband
59	Service Review/Redesign	Review Mobile Phone Contract		10,000	10,000	Kirsty King	Review usage and cancel contracts where not used.	None	None	Council wide as budgets out in service areas	None
60	Property Rationalisation	Bring forward the agreement already contracted for to Rationalisation of current CRC's and develop a new state of the art CRC open 7 days per week at Hortonwood after which the closure of Ketley and notice given to end the contract at Granville CRC.		140,000	140,000		The decision has already been taken to rationalise CRC's when the new veolia contract was let. This is bringing the closure of Ketley Granville earlier than planned to realise savings	Bulk collection service in place for customers to access. New sites will be open 7 days a week. Some customers will have to travel a little further to their CRC in future	None	None but a new model for the delivery of CRC's which delivers a substantial saving and a better service although a % of customers will have to travel a little further than they do now but new CRC will be open 7 days a week	None
Total Neighbourhood & Customer Services			2,910,660	2,414,010	5,324,670						
Leisure, Culture & Facilities Services											
61	Income	Commercial Catering profit growth	20,000	20,000	40,000	Kate Sumner	Additional business and income derived through the Council's Commercial Catering Service.	Nil	Nil	Nil	Nil
62	Income	Commercial Catering Training income growth	5,000	5,000	10,000	Kate Sumner	Growth in current training provision income levels.	Nil	Nil	Nil	Nil
63	Income	Review Secondary Schools Catering		115,000	115,000	Kate Sumner	Evaluate performance of new business model. To be self funding through charges or cease to provide.	Nil	To be reviewed Sept 2016	Costs to schools may increase	Schools may purchase through other providers
64	Income	Growth in take up of Universal Free School meals	40,000	40,000	80,000	Kate Sumner	Increased promotion and marketing of 'Universal Free' school meals entitlement.	Increased awareness of free school meals entitlement.	Nil	Nil	Nil
65	Staffing	Review FM team to improve efficiency	55,000	6,000	61,000	Mal Yale	Reduce staff cost base and vehicle costs	Nil	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
66	Non-Staff	Review of FM expenditure budgets	40,000		40,000	Mal Yale	Rationalisation of expenditure	Nil	Nil	Nil	Nil
67	Staffing	Reduction in Caretaking Hours	6,000		6,000	Mal Yale	Reduce caretaking hours across operational buildings	Nil	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
68	Income	Security Contract recharges	16,000	16,000	32,000	Mal Yale	Ensure full cost of new contract is recovered through recharges to schools and others	Nil	Nil	Possible increase in security charges for MSCP and S.Water 1	Schools may purchase through other providers, however price increases will be kept to the minimum to recover costs
69	Service Review/Redesign	Amalgamation of BIT and FM Teams staff rationalisation - additional income from growth and new business including Nu Place, Home Fix and BIT Services (Help@Hand to merge with C&E services)	30,000		30,000	Stuart Davidson/Katherine Kynaston	New joint service to drive new business through a 'one stop' solution for clients. Salary savings joint with KK therefore only included 50%. Also income generation opportunities for C&E	Nil	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
	Income			42,000	42,000						
70	Income	Review Energy Management Services		15,000	15,000	Mal Yale	Review current capacity and generate additional income through charging for Energy Advice and Building Efficiency Certification	Nil	The proposal may require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
71	Service Review/Redesign	Stop providing Borough Markets	0	20,000	20,000	Mal Yale	Saving proposed for 2017/18 to allow 12months to work with and support Town & Parish Council's to take responsibility for their own markets.	Current markets: Madeley, Hadley, Dawley, Ironbridge, Oakengates and Newport.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Opportunity to discuss alternative models with Town & Parish Councils.
72	Service Review/Redesign	Reduce cleaning specification across non frontline services	55,000		55,000	Mal Yale	Reduced specification and frequency for some Council buildings including main offices. Joint saving with KK therefore only included 50%.	Nil	The proposal may require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Joint saving with Asset & Property team	Nil
73	Staffing	Reduce the number of Music Development Officer Hours	10,000	0	10,000	Psyche Hudson	Currently 5 of the Music Tutors also have additional higher rate payments for Music Development work. Proposed to reduce these hours.	Nil	The proposal may require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
74	Service Review/Redesign	Review Theatre daytime staffing levels. Relocation of some office staff providing opportunity for some external rental income.	41,000	5,000	46,000	Psyche Hudson	Channel shift to self serve box office. Saving reflects removal of Libraries funding.	Alternative box office provision available at S.Water 1 and online. Self serve Library service retained.	Includes deletion of vacant post, reduced hours and non renewal of apprenticeship (2) once current apprenticeships concluded.	Nil	Nil
75	Income	New Technical Support Service	2,000	8,000	10,000	Psyche Hudson	Charge for Technical and Event Management services.	Nil	Nil	Nil	Nil
76	Non-Staff	Revised diary and stocktaking process	3,500		3,500	Psyche Hudson	New systems allow for ceasing external stocktaking requirement and ceasing of Artiofax diary software licence.	Nil	Nil	Nil	Nil
77	Service Review/Redesign	Change remit of Cultural SDM to encompass wider 5 ways responsibility, focus on culture, Physical Activity and Health and seek alternative funding streams.	0	55,000	55,000	Stuart Davidson	Focus on prevention agenda targeting Public Health priorities to support and facilitate delivery of 5 Ways to Well-being. New Cultural Strategy to be developed 2016/17	If not funded then Cultural Service provision other than directly commissioned and self funded projects will cease.	The proposal may require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Requires agreement in respect of Public Health/external funding	Nil
78	Staffing	Parks & Open Spaces Restructure	30,000	30,000	60,000	Psyche Hudson	Combine and co-locate with Town Park Management. Tree Officers to transfer to Environmental Services - future synergies and opportunities.	Nil	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Nil	Nil
79	Non-Staff	Review Town Park Maintenance budget		10,000	10,000	Psyche Hudson	Revise spec/improve VFM pre and post 2019 contract	Nil	Nil	Reduced TWS contract requirements	Requirement to maintain Green Flag status

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type			Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
				£	£	£						
80	Service Review/Redesign	Review Hhay Golf offer to increase income through use of Academy holes.		20,000	20,000	Mark Moore	Explore options to increase Academy Course income.	Potential for additional service provision	Nil	Nil	Need for further review of options if unsuccessful	
81	Service Review/Redesign	Review operating model for Phoenix Sports Centre and close gym during the school day.	30,000	35,000	65,000	Stuart Davidson	Council subsidy could be removed if site and operation of community use transfer to the CAT. Savings would be joint with KK.	Community Use would still to be provided for although operating hours may reduce.	Staff to TUPE transfer under first option; may require a reduction in the number of employees under alternative option.	Savings from across multiple areas	Will require discussion with Education Funding Authority, Sport England in addition to the Community Academies Trust.	
82	Income	Income from new training service	12,500	12,500	25,000	Mark Moore	Leisure now providing all in house first aid training in addition to existing NPLQ and Pool Plant training offer. Opportunity to grow new business income within schools etc.	Nil	Nil	Nil	Nil	
83	Service Review/Redesign	Combined and extended Outdoor Education offer	10,000	10,000	20,000	Stuart Davidson	New service structure combining Arthog and DOE, saves on staffing costs, Shropshire Council SLA costs and opportunity to generate additional income	Nil	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	Savings from across multiple areas. Removes need to purchase Outdoor Ed advisory services from Shropshire.	Nil	
84	Non-Staff	Reduction in playing pitch maintenance costs	5,000	5,000	10,000	Rachel Threadgold	Promote use of 3G pitches and extend asset transfer offer to clubs and organisations.	Nil	Nil	Reduced TWS contract requirements	Opportunity for Asset Transfer to local clubs groups or Town & Parish Councils.	
85	Income	Additional Tennis Centre profit		5,000	5,000	Mark Moore	Procurement of new Management Contract from April 2016	Nil	Nil	Nil	Nil	
86	Income	Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an Invest to Save initiative utilising some of the space currently occupied by the Library to provide additional Health & Fitness capacity.	15,000	60,000	75,000	Mark Moore	Best performing H&F site. Current offer and capacity are restricting membership retention/growth and income. Based on additional 300 members.	Improved Health & Fitness offer and retain a smaller Library / First Point service.	Nil	Library Service	Requires detailed I2S scheme.	
87	Staffing	Reduction in daytime reception provision at some Leisure Centres (Joint Use Sites)	15,000		15,000	Mark Moore	Channel shift through promotion of online bookings and use of call centre.	Limited as alternative payment/contact methods available.	Reduction in hours tbc	Some additional traffic to Call Centre during core hours	Nil	
88	Staffing	Leisure Services Management Restructure -Reduced Operational Management structure and loss of dedicated Sports Development function.	60,000	120,000	180,000	Stuart Davidson	Review current structure. Rationalise number of managers and focus on income generation. Year 1 part year impact.	Loss of Sports Development function unless funded through Public Health or other grants/income.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	Nil	Signpost enquires to the County Sports Partnership.	
89	Service Review/Redesign	Seek to negotiate reduction in Hadley PFI contract in respect of community access to leisure facilities.		20,000	20,000	Stuart Davidson	Community usage levels very low compared with T&W sites therefore value for money needs to be further reviewed.	Potential for reduced community access or increased charges for community access. Potential impact to be quantified.	Nil	Nil	Requires agreement of Interserve	
90	Income	Review existing usage of Southwater 1 building to seek additional income generating opportunities.	0	75,000	75,000	Stuart Davidson/Angie Astley	Review current Library and First Point offer.	Subject to review findings	Subject to review findings	Subject to review findings	Subject to review findings	
Total Savings Leisure, Culture & Facilities Management			501,000	749,500	1,250,500							
Law, Democracy & People Services												
91	Service Review/Redesign	Changes to People Services Structure	154,000	70,000	224,000	Jonathan Eatough	Phase 1 - Review of management structure, (delivered by January 2016 at the latest), Phase 2 - Review of business structures (after managing rump of service reviews) will take advantage of reduced establishment, implementation of more efficient HR system and after supporting implementation of single status- to be delivered by June 2017)	None	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	Phase 2 is reliant on efficiencies being realised in the team and increased self service from managers as a result of the implementation of the new HR/ payroll system in late 2016/ early 2017and a reduction in head count through re-structure elsewhere in the organisation	We have to balance taking the income out of the system with the need to provide resources to ensure that we continue to provide services that external customers want to but without operational detriment to internal customers	
92	Income	Extra income from People Services team	10,000	10,000	20,000	John Harris	Estimate of income streams after taking into account investment (including the creation of a resource tasked with commercial development of the service) to support commercial services	None	Optimising income enables us to mitigate staff reductions and helps preserve greater resilience in the team and provides some funding for investment in the service	None	As above	
93	Non-staff	Reduction of training budget	10,000	0	10,000	John Harris	Reducing staff numbers and continuing emphasis on more efficient methods of delivery of training	None	Training is being provided in more cost efficient ways	None	None	
94	Service Review/Redesign	Savings from further review of service	45,000	0	45,000	Matt Cumberbatch	A fundamental review of the service - to meet this savings target and previous targets that have been delayed by, for example, elections and members' views. This is the first stage of a medium term plan to increase the commercial income from legal services delivered to external organisations	This is going to have an impact upon the way that services are provided. On the legal side it will re-distribute work to where it is most efficiently carried out with the proposed loss of senior solicitor capacity and it will reduce the capacity of the scrutiny function and general support to the Mayor, Cabinet and members - we are keeping this to a minimum in the way that the proposed re-structure will work	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	A reduction in the size/ skills of the team will impact on the speed and quality of the service provided	In order to manage peaks of work, for example new commercial projects/ new large regeneration schemes legal advice will be procured either through the use of locum staff or external advisers depending upon the complexity of the scheme - this will be funded through invest to save schemes whilst this is available. Generally capital schemes will support the legal work through the capital funding to reduce impact on the services' revenue budget	
95	Staffing	Delivery of amended terms and conditions	250,000	250,000	500,000	Jonathan Eatough	A review of terms and conditions to be undertaken as part of officer restructures.	There is a letter to the trade unions that details the proposals and estimates the savings that could be delivered in this way	A lot of staff may have their terms and conditions impacted as a result of these proposals	A lot of staff may have their terms and conditions impacted as a result of these proposals	This will require detailed negotiation with the unions and collective agreement.	
96	Staffing	Under use of single status implementation budget	0	100,000	100,000	Jonathan Eatough	A reduction in budget to take account of workforce reductions.	None	This can only be an estimate at this stage - a final budget for implementation can only start to be quantified once pay modelling has taken place.	At this point it is not possible to identify all the staff potentially affected by the proposals but they will be from across the Council	None	
97	Service Review/Redesign	Procurement services review	46,000	0	46,000	Sarah Bass	Managing the integration of the corporate procurement team and the social care procurement team	None	This re-structure is due to be launched imminently and full implications are detailed in the launch documentation	This review should improve the consistency of the advice provided a cross the Council	None	
98	Non-staff	Pension contribution savings (Members)	38,000	0	38,000	Phil Griffiths	Budget is no longer required as members are no longer entitled to pensions and therefore there is no requirement for employers contributions to be made	None	None	None	None	
Total Savings Law, Democracy & People Services			553,000	430,000	983,000							
Cooperative Council & Commercial Delivery Team												

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
99	Staffing	SMT Restructure - reduction in posts	343,000		343,000	Richard Partington	To reduce the number of senior managers in the organisation following further reductions in resources available to the Council	The SMT restructure is designed to enhance the functioning of the organisation by developing and strengthening synergies across services and continuing to address silo working through the One Council model - with the goal of improving the effectiveness of our services to continue to and better meet the needs of the community whilst delivering major savings.	Reduction in SMT posts.	The SMT restructure is designed to enhance the functioning of the organisation by developing and strengthening synergies across services (both Council and partners) and continuing to address silo working through the One Council model - with the goal of improving the effectiveness of our services to continue to and better meet the needs of the community whilst delivering major savings.	The SMT structure is kept under constant review. There is clear designation of statutory roles and responsibilities and clarity over statutory reporting lines
100	Staffing	Rationalisation of posts within Delivery & Planning, Community Participation and Corporate Communications	120,970		120,970	Rachael Jones, Jon Power, Nigel Newman	There are a number of vacant posts and one officer applying for VR which has provided the opportunity to review staffing structures across the teams.	Activities that impact on community will be picked up by other officers within the team, there will be reduced capacity to deliver new projects and a reduction in the resources available to support communications and marketing activity.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Minimal	Minimal
101	Service Review/Redesign	Review of management of Council Community Centres - not currently possible to quantify amount of saving until review carried out			TBC	Rachael Jones	The 5 Council run community centres are heavily subsidised by the council due to the high costs associated with managing them. It is proposed to review the management arrangements of the centres to identify if savings could be made.	Not known at this stage	Not known at this stage	Not known at this stage	Not known as this stage but all business cases will include a full risk assessment
102	Non-staff	Operational budget	5,000		5,000	Jon Power	Saving from survey printing budget (corporate activities ie Community Panel) as surveys are increasingly e-administered	None	None	None - services are expected to fund printing of surveys.	None
103	Non-staff	Reconfiguration of Your Voice	10,000		10,000	Nigel Newman	This forms part of an ongoing review of alternative and lower cost ways to produce Your Voice which include changing format, regularity of publication and distribution methods	The two principal savings options are to change either the number of editions or the format and distribution method. This can be mitigated by increasing online take up of other digital channel and part of the saving would be invested in increasing digital alternatives. If the distribution method is altered, local pick options would off ran alternative.		Reduction in this channel to communicate directly with public	Growth of digital channels to offer alternative ways that the public can receive and engage with information
104	Income	Delivering external training	2,500		2,500	Fliss Mercer	Development of a range of training courses for external customers e.g. Social media sessions, Excel training, engagement/survey design	These courses could benefit local organisations by increasing their skills in these areas	None	None	Potential competition with other local training providers
105	Income	Tourism-related commercial project/development		40,000	40,000	Fliss Mercer	Commercial project	As well as income generation, the proposed project is expected to generate additional economic value to the local area	All staffing costs will be built into the financial model for the project.	Wherever possible, Council services will be used in the set-up and ongoing running of the proposed development, resulting in additional income generation potential	The main risks are financial e.g. higher than expected costs or lower than expected income. A risk register will be developed for the proposed project to mitigate these risks.
106	Income	Other commercial projects		TBC	TBC	Fliss Mercer	The Commercial Projects Team are currently investigating the feasibility of a number of new commercial ventures, the majority of which do not sit within a specific service area. These can't be quantified at this stage but would be put forward for 2017/18.	Not known at this stage	All staffing costs, where appropriate, will be included within the financial model.	Not known at this stage	Not known as this stage but all business cases will include a full risk assessment
107	Income	Commercial Service to Schools	10,000		10,000	Nigel Newman	Growth of existing offer which is generating £6k/year in year 1	None	Greater call on communications team time	Negligible	None
108	Income	Sponsorship service for external organisations		10,000	10,000	Nigel Newman	Pursuing new commercial opportunities created by new sponsorship and advertising assets	New opportunities for businesses	None	None	None
109	Non-staff	Review of corporate grants to voluntary sector. We will no longer provide annual grants of £49,490 to Fairshare and £12,690 to A4U				Rachael Jones	We will provide a grant of £232,000 per annum for 3 years to Telford and Wrekin CAB and £17,000 for 2016/2017 to Rights and Fairness Telford, in addition £50,000 will be available in 2016/2017 and 2017/18 to provide funding to the voluntary sector to pump-prime projects.	Not known at this stage	None	Not known at this stage, in discussion with other council services about potential impact	Not known at this stage but impact assessment will be carried out as part of process
Total Savings Cooperative Council & Commercial Delivery Team			491,470	50,000	541,470						
Finance, Audit & Information Governance											
110	Staffing	Finance - targeted restructure activity and some reduction in operational costs e.g. re-tendered banking contract, treasury advisors etc	169,750		169,750	Ken Clarke	Structure reviewed will result in some redundancy costs.	Minimal	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	May be a longer lead time to provide financial advice and to gain insurance cover.	Nil
111	Staffing	Fundamental Service Review which will involve very significant restructuring across the service area, significant reductions in service levels and increased financial risks. Care must be taken to ensure that appropriate strategic financial control is maintained and external audit costs do not increase to offset the savings. Undertaking this review during 2017/18 will enable financial support to be provided during 2016/17 which will be a year of considerable organisational change and financial challenges. Will aim to deliver full year savings in excess of £200,000 to help deliver the further savings that will be required for 2018/19.		200,000	200,000	Ken Clarke	Reductions to staffing budgets is the only option to further reduce costs.	Limited directly but may be delays in making payments, responding to requests for information.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Will not be able to provide financial support and advice to as many services and projects.	Risk of decisions being taken without full awareness of all financial implications.
112	Income	Finance - Additional income from provision of services to Nuplace	20,000		20,000	Julia Copus	In line with contractual agreement	Nil	Services to be provided within existing resources	Will be a cost to Nuplace which is included in their financial model.	Nil
113	Income	Employment Services & Purchase Ledger - additional income and review of operational budgets	10,000		10,000	Julie Pugh	In line with current projections	Nil	Nil	Nil	Nil
114	Non-Staff	Reduction in External Audit Fee	20,000		20,000	Ken Clarke	Agreed as part of contractual arrangements	Nil	Nil	Nil	Nil

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.		Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
				£	£	£						
115	Non-Staff		Rescheduling of debt repayments. After considerable technical analysis, research and joint work with other authorities and discussion with our external auditors it is considered prudent in the current exceptionally challenging circumstances facing the authority to undertake further work to reschedule debt repayments. This could yield very significant revenue benefits in 2015/16, 2016/17 and 2017/18 although the benefit would then reduce before ultimately becoming an additional cost. The saving generated would ideally be used to fund ongoing savings which would meet the additional costs to be faced in future decades - for example by funding redundancy costs or invest to save proposals. In addition to the savings of £3.664m in 2016/17 and £3.412m in 2017/18 a one-off benefit of £3.235m could be generated in the current year based on initial calculations.	3,664,000	(252,000)	3,412,000	Ken Clarke	Extending the change in the calculation of MRP previously agreed to historic debt.	Additional costs will be borne by future taxpayers	Nil	Nil	The level of saving going forward gradually reduces over time before becoming an additional cost from 2027/28. Calculations will need to be reviewed by KPMG and will only be confirmed once the accounts for 2015/16 have been audited. Borrowing levels increase in the early years as less MRP is set aside.
116	Non-Staff		Rescheduling of PFI MRP - similar to above but delivers over £12m back dated benefit and ongoing revenue savings for 15+ years before eventually becoming an additional cost. Backdated benefit must be released to revenue account by making nil MRP payment until it has been recovered along with further in-year contributions rather than generating a one-off revenue balance.	2,032,000	(106,000)	1,926,000	Ken Clarke	Extending the change in the calculation of MRP previously agreed to historic debt.	Additional costs will be borne by future taxpayers	Nil	Nil	Complex calculations and accounting entries will need to be made and will be reviewed by KPMG as part of the 2015/16 audit of accounts. The figures can only be confirmed once the accounts for 2015/16 have been audited by end of September 2016. Borrowing levels increase in early years as less MRP is set aside.
117	Non-Staff		Use of One off Resources	30,000	(30,000)	0	Ken Clarke	Review of one-off balances	Nil	Nil	Nil	Nil
Total Savings Finance, Audit & Information Governance				5,945,750	(188,000)	5,757,750						
Development, Business & Employment												
118	Income		Increase income from delivering National Career Service contract	30,000		30,000	Sue Marston	Assumes continuation of current over achievement of income target	Positive impact through increased provision of careers advice	None	None	Threat of national changes to NCS provision. Contracts are annual and wont know details til early 2016
119	Non-Staff		Reduction in provision of 16+ Transport Assistance		25,000	25,000	Sue Marston	Introduce new policy focussing subsidised service on care leavers and SEN with increased requirement for parental contributions for other pupils	Pressure on parents to provide transport	None	Policy to be agreed and implemented with transport team. Potential impact on schools to be considered	Potential for appeals. Should not impact on most vulnerable as these will fall into priority categories for continued provision
120	Income		Additional income to offset salaries for management of new ESF contract for NEETS	33,000		33,000	Sue Marston	Opportunity to bid for ESF contract to manage provision of service to address NEETS across T&W and Shropshire. Call for bids due imminently but wont know outcome until early 2016. Time limited to c. 2 years	Positive impact as provides continuation of current ESF funded NEETS programme	Contract delivered using existing team members	Positive impact through work to reduce number of NEETS	Call for bids due imminently but outcome wont be known until early 2016 so risk that income wont be realised. Income will be limited and may be 2 rather than 3 years depending on availability of Skills Funding Agency match
121	Service Review/Redesign		Introduction of Local Development Order for householder planning applications extending permitted development rights enabling reduction in staff and non staff costs	68,000		68,000	Dave Fletcher	c.98% householder applications granted without amendment under delegated powers. LDO for certain types of house extensions deemed low impact offering faster more certain outcome to customers.	LDO will provide faster, more certain outcome to customers. Responsibility for advising neighbours of plans will sit with applicant. Parish and Town Councils wont be consulted but LDO applications will be included on weekly list and design code would be produced ensuring safeguards to protect neighbours amenity and character/appearance neighbourhood	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Anticipate reduction in workload for other Council teams involved in householder applications	The LDO would include a design code to provide safeguards to protect neighbours amenities and character/appearance neighbourhood. LDO applications would continue to be published in weekly lists. The Council's enforcement team would investigate any complaints relating to development permitted under LDO and any breaches would require a retrospective planning application.
122	Service Review/Redesign		Service redesign of building control	53,000		53,000	Dave Fletcher	Link provision of building control service with Development Team (see 131)	No impact	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	No impact	Building Regs service would form part of the new development team approach outlined below enabling a growth in external fee earning work
123	Service Review/Redesign		Service redesign of Development Management Service to establish Development Team providing a development application service including revised, chargeable pre application advice service, fast discharge of conditions	30,000	60,000	90,000	Dave Fletcher	Introduction of charges for pre application advice based on providing a significantly enhanced, timely, coordinated pre application service that delivers faster determination. Development Team would provide a chargeable planning application service. Remaining DM team would focus on non LDO applications and determining applications submitted by Development Team.	Provision of comprehensive, timely pre application advice and condition discharge will benefit developers concerned with time cost rather than fee charge.	Reorganisation of Development Management Service	To provide effective, chargeable service will require fully coordinated, timely input from range of services and specialists including highways and engineers	Proposals follow discussion with developers who have indicated willingness to pay for an enhanced service.
124	Service Review/Redesign		Saving from biT restructure	100,000		100,000	Chris Goulson	Restructure process complete with new structure in place from 1st December	None	New structure now in place	Positive impact through biT supporting provision of full turnkey solution for inward investors, business expansions and supporting and being supported by proposed changes to DM service	Service has significant income targets following completion of BSF programme. The new team structure and marketing plans focus on increasing income from external work.
125	Service Review/Redesign		Building Innovation Telford (biT) and Facilities Management (FM) service efficiencies	35,000		35,000	KK/SD	Saving through service synergy with Facility Management	None	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Potential to provide an enhanced service through biT	Significant existing income targets which will require strong marketing and maximising links with investors/business expansions.
126	Non-Staff		Saving on cleaning budgets in operational buildings	55,000		55,000	Chris Goulson	Formally reduce cleaning regime in operational buildings. Saving shown agreed with Facilities Management	None	Savings shared with Leisure, Culture & Facilities Management	None	None
127	Income		Increase revenue return from rental of Phase 1 Nuplace sites	20,000		20,000	Toni Guest	Strength of rental market delivering above modelled income.	Rents have been based on analysis of similar properties in the local private rented market and are considered to be competitive. Significant interest is being generated in phase 1 sites	None	None	Risk that rental levels are not achieved mitigated through strong marketing of brand and properties, incentive packages and options including corporate lets

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
128	Income	Increased income to authority from delivery of additional 100 units by Nuplace		35,000	35,000	James Dunn	Based on delivering additional 100 private rental units (development). Investment assumptions based on Phase 1 and return accounts for cost of borrowing.	Increasing provision of quality private rented accommodation across the Borough	None	Assumes delivery of additional site by existing team including legal/finance	Requires identification of additional site(s). Programme remains at early stage with market not yet proven. Opportunities being explored to bring forward additional sites, acquire property and consider partnership arrangements
129	Staffing	Removal of vacant posts in Planning Policy Team	40,000		40,000	Toni Guest	Removal of existing vacant posts in Planning Policy Team	None	None	None	None
130	Service Review/Redesign	Service redesign of Planning Policy Team		102,000	102,000	Toni Guest	Redesign of provision of planning policy advice through merger of function into Development Team	Delivery of new Plan will set policy context for Development Management decisions. Transfer posts into Development Team will strengthen delivery chargeable pre application service and ensure more coordinated approach to determination of planning applications	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Policy advice will continue to be provided on basis of adopted Local Plan	Continued need for robust policy advice and supplementary planning documents. Will be delivered through Development Team
131	Income	Income generation from Homefinder	10,000	20,000	30,000	Toni Guest	Based on managing an additional 50 properties and provision of additional chargeable services to landlords	Increased number of accredited landlords and properties influencing quality private rented sector in borough	Additional capacity will be put in place where this provides a commercial return through increased income from property management	Limited as proforma documentation and processes agreed with legal and finance	Risk of take up as homefinder is competing in market place.
132	Income	Income from funding bid writing for small businesses through Growth Hub	7,000	10,000	17,000	Kathy Mulholland	Bid writing service linked with supporting local businesses access new EU grant programme.	Respond to business demand and supports local businesses to maximising opportunities from EU Grant Funding Programme. TWC can add value through connecting business into the Growth Hub and ongoing account management. Potential to offer this service charged or discounted to voluntary and community sector	Investment in training to upskill staff. Capacity provided through proposed service redesign	Input from legal team	competition from market but service will be linked with the Growth Hub and inward investment/business support service
133	Income	Removal of Vacant posts and fixed term contractual arrangements	40,000	(40,000)	0	Kathy Mulholland	Vacancy management and non renewal of fixed term contracts linked with service redesign	Growth Hub offers potential to streamline business support particularly to start ups saving account management time.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Business Support provided through Growth Hub would continue to channel commercial opportunities to other services	Risk of perceived reduction in business support offset by use of Growth Hub and co location/coordination of other business support providers services in one location increasing the efficiency and availability of support
134	Service Review/Redesign	Service redesign of Inward Investment & Business Support Teams in light of establishment of Growth Hub		100,000	100,000	Kathy Mulholland	Redesign to maintain core team of front facing account management roles working with both existing FDI, Inward investors and high growth/expanding businesses. Growth Hub and EU programmes offer potential to streamline business support particularly to start ups.	Account management focus is on higher growth, FDI and new investors with Growth Hub providing venue for TWC and partners business support provision for SME and start ups	Details subject to restructure proposals	BSO do channel benefits to other services areas e.g. biT. This would continue through the growth hub model and inward investment officer account management	Risk of perceived reduction in business support offset by use of Growth Hub and co location/coordination of other business support providers services in one location increasing the efficiency and availability of support
135	Income	ERDF income (salary offset)	60,000	40,000	100,000	Kathy Mulholland	ERDF funding bid to provide match funding for staffing costs for 3 years from 2016/17. Outcome of funding bids not known til 2016	Bids will provide additional grant funding and business support services to local business and investors which can be delivered through the Growth Hub	None	None	Risk of ERDF bid failing. ERDF programme runs to 2020 and there will be further opportunities for revised/new bids to be submitted.
136	Non-Staff	Reduction in Inward Investment & Business Support core budgets	5,000	5,000	10,000	Kathy Mulholland	On basis of Growth Hub and new ERDF programmes offsetting areas of spend and reshaping support/subs for Networks	Continued support for business through Growth Hub and account management	None	Involve re-negotiation of contracts including with Shropshire Chamber and business networks	Risk of reputational damage offset by support for Business Board as the focus for private sector business engagement
137	Income	Extending Property Investment Portfolio (PIP) Investment	100,000	200,000	300,000	James Dunn	Using extended borrowing provision agreed by Cabinet to acquire land, build and lease to new investors generating rental return over and above cost of borrowing	Delivering new investment and business expansion on public land and improving the competitiveness and return from PIP	None	Potential to link to full design/build/lease back, project and property management benefitting range of internal services	Risks of change in market leaving land/property unsold/void. Risk of reduction in interest from investors in Telford. Mitigation through marketing of Enterprise Telford, strategic links with Combined Authority partners lacking land, knowledge of local market and work of II and BS Teams and growth hub to attract investment
138	Funding	NDR Growth	250,000		250,000	James Dunn	50% share of £500k projected growth in NDR 16/17 based on over-achievement of target in 15/16	None	None	Saving shared with Neighbourhood, Cultural & Customer Services	Risk of non delivery - mitigation through business/investor engagement, Enterprise Telford pledges, HCA stewardship
139	Property Rationalisation	Saving on running costs related to Phoenix Leisure Centre	30,000	34,500	64,500	Chris Goulson	Based on Academy taking over leisure centre operation and related income	Limited assuming Academy continue to run centre	None	Shared with Leisure, Culture & Facilities Management	Based on Academy agreement
140	Property Rationalisation	Saving on running costs of Strickland House		31,330	31,330	Chris Goulson	Rationalisation of accommodation for Council Services in light of savings proposals	Potential service synergies through more staff and functions based in Towt Centre location	None	potential depends on accommodation moves	Depends on service moves
141	Property Rationalisation	Savings in property maintenance through relocation Leegomery Youth wing to adjacent community centre		8,790	8,790	Chris Goulson	Based on closing youth wing at Leegomery centre and operation from adjoining community centre;	Youth centre retained	None as staff move to community centre	Impact on Facilities Management income	need to let vacated youth win. Small operational budget retention made to cover property costs associated with move to community centre
142	Property Rationalisation	Savings in property maintenance from closure or transfer management responsibility of Watling St Community Centre		19,730	19,730	Chris Goulson	Transfer management responsibility or closure of Watling Street Community Centre	potential loss of centre unless community interest company manages it	Staff losses if closure	Closure would impact on Facilities Management cleaning income	establishing community management model
Total Savings Development, Business & Employment			966,000	651,350	1,617,350						

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
Children's Safeguarding & Specialist Services											
143	Non-Staff	Review of Fostering Offer	150,000	500,000	650,000	Angela Yapp	To further develop the fostering service by implementing a broader approach to the fostering offer to children and young people. This will include a focus on recruiting carers who can support our children who present with complex and challenging needs, sibling groups and sole placements. There will be an opportunity to review and revise our offer for care leavers. The Council will also look to increase the ratio of internal/external foster number, thereby reducing cost without impacting on quality. The saving target assumes that we will have 15 more internally recruited foster carers to replace those procured externally.	Minimal impact on the community.	No staffing impact at this time	There may be an impact upon communications, in particular the need for further marketing.	This new operating model will impact upon the way in which we work and focus of our activities and will reflect a change in the way we operate. There will be a need to engage with the service in moving forward with the implementation of the new model of delivery.
144	Staffing	New Operating Model for SEND.	58,550	-	58,550	Jo Britton	Following the review of the current operating model for SEND there will be a move of the co-ordinators across to the C&YPF locality teams where we will look to take advantages of economies of scale	Minimal impact on the community	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.		There is a possibility that the pace of change regarding the education, health, and social care plans will be impacted on.
145	Non-Staff	Review Current Short Breaks Offer	25,000	25,000	50,000	Viv McKay	In taking forward personalisation of budgets, flexibility will be provided to parents and children in terms of identifying how best to meet need in providing short break provision. This will allow an opportunity for parents and carers to have the flexibility of approach to identifying a short break provision. Evidence indicates that this approach leads to improved outcomes at a lower cost.	Minimal impact on the community	No staffing impact at this time	Corporate Communications	There will be a need to be consultation with parents, carers and partners. Significant risks that may arise are the change to the status quo and could result in challenge and complaints from parents and carers. If the saving is not achieved one off savings held by the service area will be used to fund the shortfall.
146	Non-Staff	Reduce number of Residential Care placements	-	1,000,000	1,000,000	Jacqui Davies	There has been to date significant work undertaken to review all children and young people placed in residential provision outside of the Telford area. The successful approach thus far will now focus upon children with complex needs in residential placements. Over the last two years we have been successful in appropriately reducing the number of teenagers in residential care.	Minimal impact on the community	No staffing impact at this time	External partners	There will be a need to consult with children and others. Risks may arise in terms of managing any change, however to date any moves have been managed sensitively and in keeping with meeting the needs and wishes of the children and young people involved.
147	Non-Staff	Reduce contribution to Tier 2 CAMHS service	50,000	-	50,000	Viv McKay	Going forward we will need to reduce our contribution towards the CAMH service. CCG to pick up some of the cost through parity of esteem and transformation funding. Also will be reducing our investment in TAMHS given the schools are not supporting the current approach.	Insufficient support to deal with low levels of mental health.	N/A	This may put additional pressure on the CAMHS service procured by the CCG	Unable to find appropriate support for children young people experiencing mental health/emotional problems.
148	Staffing	Cross Service rationalisation of Business Support and Administration - all Children's Services	70,540	30,000	100,540	Laura Johnston	Review of administration across C&YP (all areas) with a view to removing overlaps and duplications and ensuring that appropriate support is available where it is most needed	N/A	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	N/A	N/A
Total Savings Children's Safeguarding & Specialist Services			354,090	1,555,000	1,909,090						
Education & Corporate Parenting											
149	Staffing	Removal of vacant posts and changes to working patterns and rationalisation of funding available within Education & Corporate Parenting	398,950		398,950	Jim Collins	Developing new operating model for working with our most vulnerable children, young people and their families which improves integrated working practice with all partners but in particular our schools and settings. The new model will also focus on utilising existing staff to support a whole service approach.	Our schools will need to be supported in reducing their dependency on receiving services from the Council. Our role will become more enabling with a greater emphasis on sharing best practice. We will reflect on and learn from the work of other LAs across the region who have developed systems-led school improvement.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	As we withdraw from some service provision, pressure may be felt by schools, as teachers and parents seek other services that they can access.	The new operating model reflects a significant change in the way we work, we will need to consult over changes communicate effectively and refresh our workforce development plans.
150	Service Review/Redesign	Changes to Transport Policy	100,000	300,000	400,000	Kathy Swallow	Developing a new policy for school transport will have a significant impact for some of our schools and settings, especially those that currently benefit from a transport subsidy to support a religious faith. The new model will also focus on parents becoming more involved in choices about their children's school travel plans.	This may well impact on specific communities especially those in rural areas.	No impact on staffing levels	N/A	There will need to be consultation with schools and settings and other partners. There is a significant risk that any change from the status quo could results in complaints from the public.
151	Service Review/Redesign	Reconfiguration of Specialist Services within Children & Family Services, including a reduction in the staffing levels across the teams. By combining functions where possible to create efficiency savings.	181,000	100,000	281,000	Andy Cooke	Developing new operating model for working with our most vulnerable children, young people and their families as part of the implementation of the new SEND systems. The new model will also focus on utilising existing financial resources to develop their own support plans which will also look at home to school transport.	Our schools will ongoing support in reducing their dependency on statements and moving towards Education Health and Care plans. Our role will become more enabling with a greater emphasis on sharing best practice.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	As we roll out the new plans pressure may be felt by our schools, especially as this is a shared service with Shropshire.	There will need to be consultation with schools and settings if we reduce the level of support to our vulnerable learners. There is a significant risk that any change from the status quo could results in complaints from the public and a co-ordinated lobbying campaign.
152	Income	Increases in Income Targets within various services within Education & Corporate Parenting	140,590	144,250	284,840	Chris Minton	Due to the budget pressures the Council will be facing we will need to raise our costs to schools or consider withdrawing some services altogether.	There is a risk that some of our schools will not continue to buy back our services if these income targets are imposed over the next two financial years	None	As we roll out the new plans pressure may be felt by schools, as teachers and parents seek other services that they can access.	None
153	Staffing	Restructure so the strategic support for Early Years within the School Improvement service to rationalise provision.	174,060		174,060	Alison Lamputt	Developing new operating model for working with our youngest children, young people and their families as part of the implementation of the new childcare arrangements The new model will also focus further developing our traded model with PVI Early Years settings.	There is a risk that some of early years providers will not continue to buy back our services if these income targets are imposed over the next two financial years	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	None	There will need to be consultation with schools and other settings if we are to reduce the level of service.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17 £	2017/18 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
154	Non-Staff	Reduction of budget for redundancy costs in schools	41,040		41,040	Jim Collins	As pupil numbers and thus funding are now more stable or increasing in most schools, the need for redundancies should be on a modest scale. The statutory position is that the LA picks up redundancy costs for maintained schools unless there is a 'good reason' not to - 'good reason' is not specifically defined.	Schools will be expected to fund all their redundancy costs unless there are exceptional circumstances. However, as pupil numbers and thus income are stable or increasing in most schools, the need for redundancies should be on a modest scale.	None	None	Schools could theoretically challenge the basis of the LA claiming that there is a good reason for it not to pay for redundancy costs in most cases. In such a circumstance the LA would need to be able to argue that better budget planning etc could have prevented the need for redundancies, or that the school has sufficient financial resources to fund the costs.
155	Non-Staff	School effectiveness	11,660		11,660	Jim Collins	Most support for school effectiveness is traded - only a small residual budget is allowed for support not funded by the school itself.	Slightly increases the onus on schools to fund their own school support.	None	None	None
Total Savings Education & Corporate Parenting			1,047,300	544,250	1,591,550						
Family, Cohesion & Commissioning Services											
156	Staffing	Savings arise from the introduction of a new operating model which reduces our capacity to deliver preventative services. The opportunity will also be taken to integrate children and adult preventative services. This saving will see a reduction in the number of and our input to children centre to a minimum . We will look for partners or communities to take on the running of some children centre services/activities.	474,270	799,660	1,273,930	Clive Jones	Developing new operating model for working with our most vulnerable children, young people and their families improving integrated working practice with all partners but in particular our safeguarding teams. The new model will also focus on building community resilience within communities using an Asset based Community Development Approach.	Our communities will need to be supported in reducing their dependency on receiving services from the Council. Our role will become more enabling with an emphasis on finding positive role models within communities. We will reflect on and learn from the work of a recent successful adult social care prototype which effectively shifts the emphasis away from what we can do, to what the client/family can do for themselves. This is likely to involve reducing the number of and our input to children centre to a minimum. We will look for partners or communities to take on the running of some children centre services/activities.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	As we withdraw from some service provision, pressure may arise at other points in the organisation (For example safeguarding, in schools, health etc) as clients seek other services that they can access.	The new operating model reflects a significant change in the way we work, we will need to consult over changes communicate effectively and refresh out workforce development plans.
157	Staffing	Restructure of Commissioning, Brokerage & Contracts services required to service new operating model	97,290	115,520	212,810	Viv McKay	The new operating model being fully implemented in adult services and referred to above for children services will see a reduced need for support from these areas and some role changes	see above	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	N/A	N/A
158	Service Review/Redesign	Closure of a number of youth clubs run by our part time youth workers	151,000	151,000	302,000	Jas Bedesha	The Council already supports a number of voluntary youth clubs. This measure will see the Council pull out of delivering youth club provision instead supporting communities to establish their own clubs	The new operating model will clearly identify the role of community enabler which will have responsibility for working within localities to establish clubs to meet needs	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	As we withdraw from some service provision, pressure may arise at other points in the organisation (For example safeguarding, in schools, health etc) as clients seek other services that they can access.	Unable to find sufficient support within communities or from the voluntary sector to provide sufficient youth provision. An audit of services already provided within communities will be undertaken to establish the existing offer.
159	Staffing	4 PCSO posts funded by Council deleted or funded from another source. For example by Parish/Town Councils.		120,500	120,500	Jas Bedesha	The Council currently funds 4 PCSO. Other PCSO are funded by the PCC and Wrekin Housing Trust. One PCSO is part funded by a parish council. The Council proposes withdrawing funding for PCSO (employed by the Police). We will work with partners to see if an alternative means of funding can be identified for one or more of the PCSO	The benefit from funding our own PCSO include being able to target how they are used including parking enforcement, dealing with anti social behaviour hotspots etc	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Increased community safety issues/problems leading to costs for other services. For example increases in fly tipping.	Reduced ability to target resources within localities. Impact on community safety and people perceptions regards safety.
160	Income	Increased Income Targets across Family Community & Cohesion service areas. Examples include income generated through delivery of training courses to external providers, schools and voluntary sector partners		40,000	40,000	Jas Bedesha	The new operating model will give some opportunities for generating income from the remaining workforce. These need to be explored and tested out. Examples include working with schools, children homes etc	Minimal	Will protect a number of posts	Minimal	Minimal
161	Property Rationalisation	The Council uses a number of premises. Further scope exists as our workforce reduces and through working with adult services to rationalise the use of property. Example include our use of Hadley Learning Community as an office base for preventative staff. A recent move to Leegomery has seen the Council make a significant saving with the full year effect coming through in 2016/17. Opportunities also exist for reducing our utilisation of The Park Lane Centre for delivering some activities.	71,630		71,630	Debbie Lloyd/Jas Bedesha	Cohesion and Children & Family Locality services both make significant contributions to buildings. In some cases office based services have already moved to lower cost premises without impacting on the service delivery. As we reduce the number of preventative services delivered our requirement for space reduces further. We plan reviewing our need ensuring that we leave sufficient space for the voluntary sector and our communities to deliver services.	This change could significantly impact on the viability of some buildings. For example The Park Lane Centre where they are unable to find new tenants to take up space vacated. The Council's Development, Business & Employment team will be used to support businesses likely to face difficulties from these changes. We will look to pull out in a phased way.	N/A	See left	Will put additional pressure on our voluntary sector which require the rental income to provide financial stability.
Total Savings Family, Cohesion & Commissioning Services			794,190	1,226,680	2,020,870						
Public Health, Wellbeing & Public Protection											
162	Service Review/Redesign	Reduce budget for smoking cessation services in line with current demand	209,300	-	209,300	Helen Onions/Stacey Norwood	T&W has historically invested in SSS at an above average level given the local need, with good service outcomes. However, as per the national picture the demand for SSS support has dropped given the popularity of e-cigs.	Fewer smokers will be given formal support to quit through SSS and smoking remains a key cause of reduced life expectancy and health inequalities.	No obvious staffing impact, local SSS contracts are based on PbR tariff per quitter rather than block contract funding of workforce establishment.	The SSS contract is based on Payment by Results and if demand increases above the current level and is in line with contract targets there will be pressure on delivery of these savings.	The reduction in demand for smoking related ill-health in the NHS may not as much as in the previous few years.
163	Service Review/Redesign	Further reduction in the NHS Health Check programme activity	46,320	40,000	86,320	Helen Onions/Stacey Norwood	This a mandatory service which T&W performs well in terms of the offer of checks to the eligible population, there is a comprehensive model with all GP practices offering checks. However, there is a low uptake and evidence that those attending for checks are not at the greatest risk. A new model will be developed which targets those at greatest risk	Changing the model for Health Checks will mean that there will not be an universal model of checks for all eligible 40-74 year olds in T&W, this is currently a mandated expectation of the national programme.	Only staffing implication is that in-house services may be asked to deliver NHS Health checks	GP presently provide this service and potentially this may generate additional work for in-house services if for example the Health Trainer Service deliver the checks in the future.	We will need to communicate effectively with primary care to ensure any service has clear pathways into clinical care
164	Service Review/Redesign	Further efficiencies within drugs and alcohol services	107,500	70,000	177,500	Helen Onions/Bhavna Taank	The implementation of the T&W Drug & Alcohol Strategy is requiring transformation of treatment services over a 3 year period. T&W has been an outlier for spend in this area in the past and further savings are being built in to reduce the DARS budget and the prescribing budget	The drive of the strategy is to ensure more people with substance misuse issues recover successfully and leave the system rather than staying long term in the treatment service.	Potential staffing impact in the in-house DARS service.	Potential staffing impact in the in-house DARS service.	There may be service users reaction to service changes but the underpinning recovery strategy has been widely consulted upon.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
165	Service Review/Redesign	Decommission GP STI sexual health service	34,000	-	34,000	Helen Onions/Stacey Norwood	This is a mandatory service. The saving covers the GP Sexual Health screening and treatment contracts, which is only currently in place in a small number of practices with specialist interest GPs. The service is not equitable as does not improve access to screening and treatment for all T&W registered patients. A small element relates to IT development costs for in-house notification system	A new contract for the integrated sexual health service will be in place from April 16. The procurement process is underway and there is an expectation that GP practices will provide capacity for spoke clinics in different parts of the Borough to compliment the new town centre hub clinic - see pressure tab for more detail.	Nil	Impact will be on GP practices who provide this service	Overall the council has invested in sexual health services (see pressures) with a new contract set to begin in April 2016. This will support mitigation against the reduction in this element of sexual health services.
166	Service Review/Redesign	Breastfeeding - Cease co-ordinator post within Shropshire Community Trust	50,000	-	50,000	Louise Mills/Vicki Pike	Local action to increase breastfeeding rates has been incorporated within the Health Visiting contract following the transfer of commissioning responsibilities from NHS England to the LA on the 1st Oct 2015. The Maternity Service (commissioned by the CCG) are working towards the full UNICEF accreditation which is expected to impact on breastfeeding initiation rate	The Breastfeeding Coordinator has trained a number of community volunteers as Breastfeeding Peer Supporters - Health Visitors will continue to support the volunteers to establish community support groups as part of the Health Visiting Universal offer	Nil	The service is commissioned from NHS Community trust.	It is expected that health visitors will continue to support volunteers to establish community support groups.
167	Service Review/Redesign	Green Gym - reduction in grant	35,000	50,000	85,000	Louise Mills/Clare Harland	The grant agreement will end on the 31st March 2017. The Commissioner is working with the current provider to sustain the service beyond the grant term seeking alternative funding and exploring options for delivering the service differently	It is expected that this service will continue beyond 2017/18. This is reliant on the current provider securing external investment and developing a more sustainable model of delivery working with wider partners	Nil	Minimal	The current provider is investigating other potential sources of income to sustain this programme
168	Service Review/Redesign	More efficient commissioning of Children 0-5 services	150,000	30,000	180,000	Louise Mills/Vicki Pike	The commissioning responsibility for 0-5's transferred from NHS England to the LA on 1st Oct 2015 and is a mandatory service. The saving will be realised through improving pathways, building community capacity, improved integration with the Early Help workforce (reducing duplication) and co location of the Health Visiting workforce with Early Help Teams	Impact on the Community will be mitigated through closer working with the voluntary sector, early years providers, education and the Council's Early Help Services	The savings will be delivered by service remodelling - this may result in a different skills mix team to what is currently commissioned	The remodelling will need to considered in the light of any developments in Children and Family Locality services	Remodelling may raise concerns from primary care and a clear communication plan will be required
169	Service Review/Redesign	Further efficiencies in Healthy Lifestyles & Health Trainer model	25,000	47,000	72,000	Louise Mills/Clare Harland	The Healthy Lifestyles Hub and Health Trainer Service is currently being restructured within Customer services. The synergies with Leisure health trainers need to be considered to create further efficiencies.	Impact on the Community will be mitigated by developing a network of Community Health Champions to deliver and coordinate some of the activity - this is an evidenced based programme delivered by volunteers	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Potential staffing impact on Health trainers within either Leisure or customer services.	Minimal
170	Service Review/Redesign	Withdrawal of Public Health grant support funding for previous leisure membership scheme	-	75,000	75,000	Liz Noakes	The funding was a time limited contribution		None anticipated	The withdrawal of Public Health funding has implications for Leisure services	Leisure services will continue to be promoted across the borough
171	Service Review/Redesign	End Cities of Service (Lets Grow) Partnership Funding	-	45,000	45,000	Louise Mills/Clare Harland	Partnership funding towards the Cities of Service Lets Grow Project. External funding from the Cabinet Office for the project ends 31st March 2016. The public health contribution towards this project has an end date of the 31st March 2017. There is no expectation to provide funding beyond the original grant agreement.	The Project Officer has been working with communities to up skill and train volunteers to develop growing projects - it is anticipated that trained volunteers would continue to deliver activity in the absence of a paid coordinator role.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	The funding contributes to a post within the Community Engagement Team	Anticipated that volunteers will continue to support this project now it's up and running
172	Service Review/Redesign	No decommissioning of parenting project	-	30,000	30,000	Louise Mills / Vicki Pike	This funding has been invested non-recurrently to develop a Parental Befriending Project which will test out new approaches building on insight from parents and the evidence base. Learning from the project will be incorporated within our parenting programmes across our Early Help Services.	Parenting programmes will continue to be delivered by the early help workforce and voluntary sector - new approaches from this project will be incorporated within the existing programmes	Nil	Limited	Learning from this project will be incorporated into remodelling of early help workforce
173	Staffing	Delete a post within Public Protection supported by the Public Health grant	-	31,510	31,510	Liz Noakes/Nicky Minshall	This fixed term post has delivered a number of public health projects some of which can now been mainstreamed.	None	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	None	Minimal
174	Non-Staff	Civil Resilience - Savings on Supplies and Services	14,000	-	14,000	Heather Gumsley	Different ways of working to ensure maximum use of available budgets	None	None	None	None
175	Staffing	Significant reduction in admin support and some reduction in Emergency Planning Officer hours	11,700	-	11,700	Heather Gumsley	Significantly reducing admin support hours retains capacity for EP on a day to day basis as well as response in an emergency. Will mean different ways of working for remaining staff within a small team	None	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	Limited	Minimal
176	Staffing	Cease use of Emergency Planning Duty Manager to activate Emergency Plan and revert to service from Fire Control at Shropshire Fire and Rescue	-	4,200	4,200	Heather Gumsley	CRT currently alerted to need to activate Emergency Plan via EPDM and a Pager operated by Fire control, with amendment call can be made direct to CRT from Fire Control generating a saving	Pager signal is potentially more resilient than signal for mobile phones in some areas which may delay response from the council in an emergency	None	No payment to EPDMs who are based are in a range of council services	CRT will provide Fire Control with alternative numbers to contact them should mobiles not be available.
177	Non-Staff	Reduction in operational and training budgets	13,760	14,070	27,830	Nicky Minshall	Reducing the training budgets through continued use of free courses and cascade training. Reducing operational budgets for trading standards investigations and carrying out work in default limits impact on front line.	Lack of investigations budget will reduce Public Protections ability to react in a timely manner in certain situations which may have detrimental affect on community	None	None	If need to do works in default there will be budget pressures until money is recovered
178	Staffing	Reduce and rationalise the number of posts	24,370	56,060	80,430	Nicky Minshall	Review vacant part-time posts in front-line services initially and review working practices such as mobile working to inform future structure	May fail to reach statutory targets and increase length of time to respond to business and service customers	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeploy employee employees where possible.	None	Complaints may increase as a result. More efficient working practices such as mobile working may limit the impact.
179	Income	Increased licensing income from returning taxi trade	6,030	-	6,030	Nicky Minshall	Taxi licensing income is projected to increase. Fees are set to recover full costs to council but further efficiencies can release more income.	None	None	None	The council are unable to recover the costs of enforcement and so other budget & service pressures will be felt as a result of the returning taxi trade
180	Service Review/Redesign	Further efficiencies in Coroner Services	14,000	16,000	30,000	Liz Noakes	Increased efficiencies from different ways of working in shared coroner services	None	None	None	Risk that saving will not be delivered if there is a requirement to resource a significant high profile inquest
Total Savings Public Health, Wellbeing & Public Protection			740,980	508,840	1,249,820						

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
			£	£	£						
Adult Social Services											
181	Service Review/Redesign	The current model of adult social care while demonstrating a level of savings by reducing demand and managing unit cost will not deliver the level of savings required. Over a 2016/17 and 2017/18 we will see a reduction in 5.350 million in the purchasing budget. The savings will be achieved by moving from the council providing a managed service, where we take responsibility for organising care provision to a direct payment and support planning model of service. The RaS will be re-calibrated to provide a personal budget for individuals to directly purchase and commission services. We anticipate clients will then make different decisions regaining transport, day care domiciliary care which will have implications for existing providers, contracts, brokerage and commissioning teams. This will maximise the amount of resources available to maintain people in community settings supported by a direct payment. Targeted actions are in place in relation to discharge to assess to ensure that we maximise efficiencies through integration and the Better Care Fund. We are also building upon the Alder Advice project to continue to work with adults with a leaning disability and mental health problems in high cost residential placements, to find better outcomes at reduced cost.	2,970,000	2,380,000	5,350,000	Julie Smith/Andy Bailey	This level of savings require a fundamental change in how services are delivered to vulnerable people in Telford. We no longer have the resources to assess for and commission traditional social care services. We require individuals to take greater responsibility for managing their care and support via personal budgets if eligible. Evidence nationally suggests that this approach can also lead to better outcomes for adult social care clients. The new operating model is based upon findings from our prototype which reinforce national findings. The new operating model is based upon our revised adult social care narrative which has been the subject of some consultation.	The use of personal budgets will shape the market and not the Council. This will result in fewer residential placements and reduction in traditional domiciliary care and day care hours, with impact on providers. Potential growth of respite and carer services as family are encouraged to care for longer.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	It is anticipated that the new operating model will have a significant impact on clients seeking in house ALD provision, both being required to trade as a business providing services directly to the client.	Some consultation has already taken place regards the new operating model when considering the underpinning narrative and the revised Wellbeing and Prevention Plan. Risks include destabilising the market during a period of significant change leading to market failure. Their may also be a public reaction against the proposed operating model perceived as a reduced care package. May also place additional pressure on carers. A community impact assessment will be prepared to fully understand and assess impact.
182	Service Review/Redesign	As we move to locality working we will see efficiencies in reducing duplication in work between council employees. The work force remodelling will require a reduction of assessment staff ,the remaining workforce will be set individual targets and performance managed. A benchmark of a minimum of one assessment/ review per day. Mobile working and home working will be the norm. The new workforce will see the introduction of support planners and peer brokers.	450,000	450,000	900,000	Richard Smith	Expectation is that each Social Worker and reviewing officer carries out one assessment/ review each day and completes electronic record. Given current demand we are able to reduce assessment work force by 17 f.t.e. This includes Better Care Fund related staffing/activity and will require consultation with T&W Clinical Commissioning Group to ensure priorities are achieved and a focus in outcomes rather than number of people . Reduction of group manager and amalgamating DARS and mental health management will generate savings and is in line with Mental Health and Drug's strategies and a focus on community and strengthening families	Communities will be expected to manage more elements of their care and support needs themselves. With the increase in Personal Assistants and direct payments the workforce, including the support services required will change.	The proposal will require a restructure and reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	The Council is looking at the merits of greater integration with health service providers, leading to a reduction in overlap and duplication and an opportunity to develop more effective integrated working practices	as above
183	Income	Both T&W Clinical Commissioning Group and the Council are committed to increasing the level of support funded by Continuing Health Care (CHC). An increase of £1m is a reasonable assumption given bench marking data	-	1,000,000	1,000,000	Richard Smith	Clients numbers benefiting from continuing health care in Telford are low. In benchmarking terms we are significantly adrift from the average and this increase would bring us close to the national average. This saving assumes that work currently in progress will result over time in the CCG appropriately picking up costs through CHC, resulting in a reduction in costs for the Council	A greater number of T&W people having their needs assessed and approved for continuing health care. The main beneficiaries are those that fund their own care.	N/A	The CCG would face a higher costs.	CHC reviews continue to suggest that existing levels of CHC are correct and that we are an outlier
184	Service Review/Redesign	The local authority spend on adults with a learning disability is high compared to both regional and national comparators. Working with T&W Clinical Commissioning group (CCG) it is possible not only to reduce funding but also improve outcomes for people. This will be achieved by working more efficiently with health partners and adopting a support planning approach.	200,000	400,000	600,000	Clive Jones	Targeted saving to be achieved from review of spend on learning disability services across CCG & Council	Review in progress. This will identify options and community impact.	Not yet known	Possible impact on CCG and health provider budgets. The CCG are aware of and working with the Council to revise services and achieve target savings	Unable to identify savings, and unable to provide sufficient lead in time to change existing contracts without penalty
185	Service Review/Redesign	There are a wide range of service models in place in Telford to support people in long term accommodation, each with a different contractual arrangement in place. By introducing a personal budget for individual people accessing services such as extra care and supported housing it will be possible to make savings and also provide greater choice and control for individuals similar, to that of people living in their own accommodation.	116,000		116,000	Viv McKay	Project launched August 2015 will lead to an increase in personal budgets used to purchase support. Existing contractual arrangements will end and be replaced by a relationship between client and contractor. This will lead to improved outcomes and a significantly lower cost.	People will become responsible for funding support from their direct payment	None for the Council	A number of housing and voluntary sector providers are likely to see a reduction in volumes of support service acquired through personal budgets.	Consultation process has started with housing and care providers; legal advice has been taken in relation to changes in the contracts, risks could be that the personal budget is not sufficient to pay for services, mitigation is robust modelling of care and support needs and a marketing campaign
186	Service Review/Redesign	Review of Voluntary Sector Agreements (SLAs)	109,000		109,000	Viv McKay	Full year effect of savings from changes made in 2015/16	Consultation already undertaken when implementing 2015/16 proposals	N/A	N/A	N/A
Total Savings Adult Social Services			3,845,000	4,230,000	8,075,000						

OVERALL TOTAL	18,149,440	12,171,630	30,321,070
LEAKAGE	- 272,242	- 182,574	- 454,816
PRESSURES	- 8,480,210	- 1,915,000	- 10,395,210
TOTAL NET ADDITIONAL	9,396,988	10,074,056	19,471,044

PRESSURES

No.	Service Area	Description	2016/17	2017/18	Total	Lead Officer
			£	£	£	
Cooperative Council & Commercial Delivery Team						
1	Community Participation Team	Reliance on grant funding for staffing costs	36,280		36,280	Rachael Jones
2	Communications	One SO1 staff post had been funded by BSF grant which is due to end in 2016	TBC	20,000	20,000	Nigel newman
Total Cooperative Council			36,280	20,000	56,280	
Adult Social Services						
3	Transitional Clients		700,000	700,000	1,400,000	
4	One offs as per current Cost Improvement Plan		1,293,000		1,293,000	
5	One off funding earmarked for Adult Social Care	To protect and support vulnerable adults and help phase in the savings.	2,500,000		2,500,000	
6	Care Purchasing - All Client Groups	Increase in purchasing costs associated with cost pressures within the provider market	1,000,000	1,120,000	2,120,000	
Total Pressures Identified			5,493,000	1,820,000	7,313,000	
Public Health, Wellbeing & Public Protection						
7	Public Health	Cost Pressure - mandatory sexual health services	231,000		231,000	Helen Onions/Stacey Norwood
Total Pressures Identified			231,000	-	231,000	
Neighbourhood & Customer Services						
8	Transport & Highway Development	Park & Ride cost pressure	30,000		30,000	Keith Harris
9	Transport & Highway Development	Road safety income target	60,000		60,000	Keith Harris
10	Waste & Neighbourhood Services	Disposal pressures associated with specialist waste	148,000		148,000	Debbie Germany
11	Waste & Neighbourhood Services	Slippage in saving related to TWS grounds maintenance contract, remedied by 2019	100,000		100,000	
Total Pressures Identified			338,000	-	338,000	
Leisure, Culture & Facilities Services						
12	Leisure, Culture & FM	Income from Synthetic Turf Pitch (No pitch)	30,000	0	30,000	SD
13	Leisure, Culture & FM	Residual pressure from proposed removal of payment protection for staff as approved as part original savings proposals.	25,000	0	25,000	SD
14	Leisure, Culture & FM	Unidentified income target Parks & Open Spaces and leisure membership	29,000	75,000	104,000	SD
15	Leisure, Culture & FM	Unidentified savings target pop up events income	20,000		20,000	PH
Total Leisure, Culture & Facilities Services			104,000	75,000	179,000	

No.	Service Area	Description	2016/17	2017/18	Total	Lead Officer
			£	£	£	
Children's & Family Services						
16	Social Work	Additional Social Workers - rough workings based on SDM areas for SWs only NB/AY/DP. Does not reflect any saving or potential against agency budget.	330,000		330,000	
17	Safeguarding Budget cuts not achieved	Savings proposals not achieved in previous years	241,000		241,000	
18	Placements	Would need to include similar level of pressure in 2017/18 if this pressure was covered by drawdown.	1,194,930		1,194,930	
19	Safeguarding	Joint Adoption service and S17 Children in Need	209,000		209,000	
Total Pressures Identified			1,974,930	-	1,974,930	
Family, Cohesion & Commissioning						
20	Family & Cohesion One offs used in 15/16		285,000		285,000	
Total Pressures Identified			285,000	-	285,000	
Development, Business & Employment						
21	HCA Land Transfer	Revenue implications of liability package associated with the HCA Land Transfer	18,000		18,000	
Total Pressures Identified			18,000	-	18,000	
OVERALL PRESSURES			8,480,210	1,915,000	10,395,210	

Appendix 3A - Service and Financial Planning report 2016/17 to 2017/18 Impact Assessment

Introduction

The Service and Financial Planning report 2016/17 to 2017/18 lays out how the Council will deliver a lawful balanced budget. It is a wide ranging strategy impacting on all of the Council's service delivery.

It details the financial budgets available to the Council and therefore the resources it has available to meet its objectives.

Background

The Council faces further unprecedented reductions in finance from central Government known as the Revenue Support Grant. This year the settlement with the government is a reduction of over 20%, or approximately £30 million.

This reduction is in addition to the £80 million already saved in the past 5 years.

As in previous Service and Financial Planning strategies this impact assessment is to consider the overall impact of the proposed changes and will not analyse all of the proposals in detail but to consider the whole package, its impact and the principles of delivery and mitigation.

The principles of the Service and Financial Planning report from an equality perspective are to;

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

These principles encapsulate an approach that can be typified as 'narrowing the gap'. The overall aim is to support those most in need or experiencing greatest disadvantage whether that be in the short or long term.

The approach to the development of Service and Finance report proposals is built on the Council's Co-operative Values;

- **Openness and Honesty** - be open and honest in the way we work and make decisions and communicate in a clear, simple and timely way
- **Ownership** - be accountable for our own actions and empower others with the skills to help themselves
- **Fairness and Respect** - respond to people's needs in a fair and consistent way

- **Involvement** - work together with our communities, involving people in decisions that affect their lives and be prepared to listen and take on new ideas

The whole package of proposals is framed by these principles and incorporates these values.

Indeed the values are closely aligned to the values underpinning fundamental human rights; Fairness, Respect, Equality, Dignity, Autonomy (FREDA) and are reflected throughout the proposals put forward.

General Equality Duty

The Council have a duty to pay due regard to the General Equality Duty, under s149 of Equality Act 2010, with respect to people who share protected characteristics. We must;

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

Through out the development of the proposals the needs and qualities of people who share protected characteristics have been considered. The duty has been considered in the initial stages by the Council's Senior Management Team who are aware of their responsibility under the Equality Act. Ultimately, the adoption of the Service and Financial Plan, or 'Budget', is the responsibility of Full Council after going through the democratic Cabinet process with input from Finance & Enterprise Scrutiny Committee.

The report will affect everybody who lives, works, or visits Telford and Wrekin. It covers the financial years 2016/17 and 2017/18.

The report has several elements that are particularly relevant to the Equality Duty;

Council Tax

Council Tax is a local raised levy used to partially fund local authorities. It is based on the relative cost of property in 1991 and is separated in to 8 bands - Band A is the lowest, Band H is the highest. It tends to follow that those people who have the lowest banding also have the lowest income but also that those on fixed incomes or with low likelihood of pay inflation tend to be disadvantaged by increases in Council Tax. Council Tax is not a progressive way of raising revenue and has little flexibility to reduce the burden on those least able to pay.

Even with this in mind the Council has little choice but to consider three options for increases;

- 2% ring fenced for Adult Social Care
- 2% ring fenced for Adult Social Care plus a 1.2% increase to support essential services

- 2% ring fenced for Adult Social Care plus 1.9% increase to support essential services.

There is an assumption by National Government that councils will adopt the 2% ring fenced increase for Adult Social Care.

The cushioning effect that this increase provides is welcome, but it will be insufficient to prevent the majority of proposed budget reductions to Adult Social Care or the impact on service users who are likely to be older people and/or have a disability.

The Government also mandates that the Council operate a system that can offer a discount to those on a low income subject to a number of principles and eligibility criteria. This scheme is known as Council Tax Support (CTS) and was introduced in April 2013 replacing Council Tax Benefit.

CTS is a locally determined discount scheme, with some constraints laid down by National Government, the Council has some discretion on how it applies the scheme. It offers some protection from the full scope of the increases for people who working age and are particularly vulnerable as a result of disability however they are still required to make some contribution.

People over the age of 65 and who qualify for CTS are entirely protected from any increases as the scheme offers 100% discount. To afford this protection, there reduction of budget allocated to the protection of working age recipients. One of the key principles in its development is that the allocated budget must cover the cost of the scheme and that it should not draw on other Council resources.

An exceptional hardship fund are also available to support individuals who experience significant difficulties managing this contribution.

The extension of the current Council Tax Support Scheme was agreed at Cabinet, 7 January 2016.

Budget proposals

There are 194 budget proposals being put forward. They include cuts and efficiency savings as well as income target increases.

They range across the entire portfolio of services that the Council delivers, from Library Services to grass cutting and bulb planting. Part of the development of each proposal is to consider the impact on the current and likely users of the service and also the wider community.

Appendix 3b considers each proposal that has been identified as having a relevance to the equality duty.

There are a number of areas that have the potential to impact on people who share or do not share protected characteristics.

Mitigation of the impact of the proposals are individual and specific the proposals being put forward however there are some commonalities that can be summarised as;

- Community led services
- Asset Transfer
- Partnership working and co location

There are some equality benefits with these approaches. Enabled correctly with adequate support community and partnership working can deliver;

- Increased community ownership and fuller engagement with all sections of the community because members of communities are best placed to understand the needs of their own communities.
- Better customer journey experiences and improved outcomes for service users by having services from multiple agencies, including voluntary organisations, which complement each other located more closely together. It can improve communications, the transfer of information and cross-referrals.
- Access to alternative means of funding and greater freedom to diversify services based on community need, can lead to more innovative and inclusive solutions.

However, there are also some equality risks related to moving services delivered by a large coherent organisation with resources and robust support services to smaller organisations;

- Overall capacity of community organisations to commit to reasonable adjustments, both physical and information, can be reduced when compared to the resources of the Council. Reasonableness is proportionate to the size of the organisation.
- The reasonable accommodation of language and cultural needs can also be reduced where the local community are not fully engaged or novel communities present to services. With this unanticipated variation of service requirement, unintentional barriers can be created.
- Transfer of liabilities to precept setting authorities could led to precept raises that increase the burden on Council Tax Support recipients.

Name of person completing impact assessment and their post	Richard Taylor-Murison, Equalities Officer
Telephone	01952 382104
Date started	7/1/2016
Other officers/Stakeholders involved	Andy Challenor, Community Engagement and Equalities Manager Ken Clarke, Assistant Director: Finance, Audit & Information Governance (C.F.O)

Impact assessment

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

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

	Impact (X)		
	Positive	Negative	None
People of different ages	X	X	
People with ill health or people with a disability	X	X	
People of different gender		X	
People who are transgender			No evidence to suggest an impact
Different racial groups		X	
People with different religion or beliefs		X	
People of different sexual orientation			No evidence to suggest an impact
Women who are pregnant or breast-feeding		X	
People that are married or in a civil partnership			No evidence to suggest an impact
People affected by deprivation		X	

Potential impact

People of different ages

The proposals broadly have a positive impact on older people, even those on low or fixed incomes, by increasing available budget to support Adult Social Services, a financial pressure. All Council Tax increase options support this positive benefit particularly as older people eligible for Council Tax Support can receive a discount up to 100%. However the overall reduction in the Council budget is likely to have some significant disadvantage for all ages.

Services to older people and young people will undergo significant changes, which may cause temporary difficulties with understanding points of access to services undergoing transition.

People with ill health or people with a disability

The proposals have both positive and negative aspects for people with disability. There is likely to be a reduction in equality of opportunity whilst services undergone change and transition to new models of delivery but this will most likely result in the availability of more appropriate services overall. User choice is also likely to improve after disruption. For example the Council is likely to offer a reduced selection of short breaks limiting access to Council run short breaks, a reduction in opportunity. However the young people affected are likely to have their own self directed funding to allocate to taking part in activities that they wish to do with a greater range of supplier to choose from. This increased freedom of choice is also likely to increase opportunity to mix with different people fostering relations between different people.

People of different gender

Due to the longer life expectancy of women, changes to services for older people are likely to have a greater and potentially disproportionate impact on women. This may be the case when changing transport services for instance.

Different racial groups**People with different religion or beliefs**

Services have typically been concentrated into areas of greatest need as they are designed to address inequality for example, children centres and community centres. These areas contain the greatest diversity of people from different racial backgrounds and different religions and beliefs within the borough. It is likely that changes to services within these areas will have a negative effect on people who share these protected characteristics. These areas may also represent a significant challenge to have whole community engagement when trying to seek mitigations due to cultural differences based on language, religious or belief differences.

Women who are pregnant or breast-feeding

Women who share this characteristic are likely to experience some loss of opportunity whilst the children centre offer is reshaped. This is a reflection of natural resistance to change from building centred services to community led services.

People affected by deprivation

The Council delivers a range of services targeted at areas of high deprivation. These areas often include many people who share characteristics mentioned above. For example, someone with sensory impairment is likely to be socio-economically disadvantaged as well.

People who are transgender**People of different sexual orientation****People that are married or in a civil partnership**

We have no evidence to indicate that people who share one of these protected characteristics would be disproportionately impacted in relation to the General Equality Duty.

Engagement and consultation

The strategy has undergone consultation from 8 January 2016 to 7 February 2016.

The approach consisted of focusing on the higher priority proposals. Of the 194 proposals, 32 were considered to have a significant affect or impact on members of the public.

The consultation was conducted with a range of methods to respond. Appendix 11 has full details but many are shown below.

- Your Voice signposting to budget messages and online budget pages including online survey.
- Budget briefing sheets and a online animations
- Community Panel survey
- An online budget survey on– www.telford.gov.uk/budget
- Social media signposting encouraging people to get involved and give their views on the budget strategy including Facebook, Twitter, online Q & A session, write in, ring in or text.
- Public meetings and roadshows in high footfall locations giving local people an opportunity to hear about the budget and future plans and speak with Cabinet members and senior managers.
- Visits to present the budget strategy at a number of organisations and forums across the borough.

Further engagement will take place in relation to the implementation of a number of proposals including;

- Closure of community centres
- Closure of 6 libraries and end the mobile library service
- Council funded school transport and 16 + transport assistance
- Age UK transport to day centres
- Short breaks provision
- Reshaping our children centre offer

Mitigations

There are several mitigations being put forward to reduce the impact of the changes including the provision of one-off funds to promote the development of community organisations relevant to the proposals and where evidence indicates that there would be significant benefit to the community.

A key feature of many of the service changes is the development of enabling roles to facilitate the development of communities and their resilience.

The Council could remove proposals that it feels have an unjustified or exceptional impact on people who share protected characteristics. Given the scale of cuts there is little room for manoeuvre, removal of any significant savings proposals will most likely require alternative proposals to be identified now or in the short term to cover any gap in the budget.

A campaign for a fair funding settlement is underway. Telford and Wrekin has a low Council Taxbase relatively to other similar authorities. This means that changes to provision of funding by National Government have more of an impact on its budget than other authorities. The ability of the Council to raise additional revenue through increases in Council Tax is limited. This difference is estimated to be £11million per annum compared to the mean level of funding for local authorities.

Managing change within communities will be essential to ensure the minimum of disruption that can develop when services change. Effective engagement, involvement and unambiguous communication will reduce this disruption, however, it is inevitable that some confusion will occur. Delaying some of the more significant changes until financial year 2017/18 will allow communities the opportunity to understand the nature of the proposed changes and offer sustainable alternatives.

General Equality Duty compliance

The plan has a complex range of impacts on the General Equality Duty.

It aims to reduce inequalities by targeting our finite resources more effectively alleviating discrimination.

There are some risks that accessibility to services or equality of opportunity could be reduced, but managed and supported effectively with full involvement of the community these can be minimised. It is unlikely that this reduction will be entirely eliminated.

Working more closely and efficiently with the community it is extremely likely that individuals impacted by the proposals will have more opportunity to meet people who share and do not share their protected characteristic. This may enhance community spirit and cohesion.

Review and monitoring

The Service and Financial Planning report 2016/17 to 2017/18 will come into effect from April 2016.

Monitoring progress and delivery of the plan is a priority for the Council. Regular reports will be received by the Senior Management Team relating to the budget and outturn reports will be made to Cabinet on a quarterly basis.

Some individual proposals that meet appropriate criteria will have separate reports throughout the year, for example, library closures.

Appendix 3b

Savings proposals identified as relevant to the Equality Duty

This paper summarises the savings proposals that have been identified for further work related to the equality duty. The proposals have been included where there was a need for further information to make a judgement or a need for an impact analysis that may result in an impact statement or impact assessment.

It also brings forward a summary of equality considerations of savings proposals from previous Service and Financial Planning reports. It details steps taken that have resolved these actions or actions that are still to take place.

The proposals can cover a number of years reflecting the planned period of implementation. Where this happens the savings proposal is referenced by the year and absolute proposal reference that appears in the Service and Financial Planning report for that year.

This paper forms the part of the evidence base for paying due regard to the General Equality Duty in relation to the Service and Financial Planning 2016/17 to 2017/18 report.

There are 4 sections;

i) Summary of identified savings proposals 2016/17 to 2017/18 and actions	2
ii) Detailed information about actions 2016/17 to 2017/18	11
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iii) Summary of resolved proposals from previous Service and Financial Planning report	56
iv) Previous Service and Financial Planning equality considerations - detailed responses	59

i) Summary of identified savings proposals 2016/17 to 2017/18 and actions

This section contains draft saving proposals identified in the Service and Financial Planning Report 2016/17 to 2017/18.

They have been identified as having some relevance to the Equality Duty or there is insufficient information to make a judgement so further investigation is required.

No.	Description of Saving	Action	Page No. (Linked)
Neighbourhood & Customer Services			
-	Increase charge for Disabled Bay Applications and H Bars to recover full cost to council and may help to reduce demand	Impact Analysis completed Proposal removed following consultation	11
6	Increased revenue from weddings and burials as a result of a price increase following benchmarking	Equality Statement completed Resolved	13
8	Reduce Concessionary Fares budget in line with passenger numbers which have dropped significantly over the last 3 years so no impact on service	Equality Statement completed Resolved	14
16	PROW - Public Rights of Way Legal Orders - Legal Order fee taken up front rather than upon completion of a successful Order	Equality Statement completed Resolved	14
17	Introduce a revised charging model for Bulk collections	Impact Analysis completed The impact of the policy will be monitored and reviewed through Customer Satisfaction Surveys and Waste Composition Analysis completed every 3 years	14

No.	Description of Saving	Action	Page No. (Linked)
18	Reduce subsidy on recycling credits	Equality Statement completed Resolved	19
23	Decommission play areas - reduce maintenance of the sites 24 Pageant Drive, Aqueduct, 120 Aqueduct Drive, Doddington Hollinswood, Dudmaston, Hollinswood, Brands Farm Way, Dodmoor Grange, Boulton Grange, Cornbrook, Stirchley, Beckberry Drive, Berberis Road, Leegomery ball court, Smallwood, Sutton Hill 102 or 27 not both, Wrekin Avenue and Gravelly Drive. (Annual average cost of upkeep £2k each area)	Impact Analysis completed We will monitor customer enquiries and complaints	19
-	Reduce previous enhancement of winter maintenance service.	Impact Analysis completed Proposal removed following consultation	21
27	Lighting energy from invest to save - move to LED lighting across the borough and look to dim lights during the evening	Impact Analysis completed We will monitor customer enquiries and complaints	22
32	Library Service - Reduce the book fund by 50%	Impact Assessment completed. The Impact Assessment will be updated following further engagement and consultation	24
33	Cease Mobile Library Service		
34	Close Madeley Library		
35	Close Stirchley Library		
36	Close Donnington Library		
37	Close Dawley Library		
38	Reduce Opening Hours of Newport Library by 1.5 days per week and retain as a first point service with a self service only community library		
39	Close Hadley Library		
40	Oakengates Library - theatre staff to take on full ownership following implementation of self service kiosks.		

No.	Description of Saving	Action	Page No. (Linked)
41	Reduction in development team and support costs for Libraries which will be achieved as long as there is support for the Library closures outlined		
86	Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an Invest to Save initiative utilising some of the space currently occupied by the Library to provide additional Health & Fitness capacity. (see Leisure, Culture & Facilities Services proposal - page 37)		
60	Bring forward the agreement already contracted for to Rationalisation of current CRC's and develop a new state of the art CRC open 7 days per week at Hortonwood after which the closure of Ketley and notice given to end the contract at Granville CRC.	Impact Assessment completed The impact of the policy will be monitored and reviewed through Customer Satisfaction Surveys and Waste Composition Analysis completed every 3 years	31

Leisure, Culture & Facilities Services

-	Cease providing Creative Arts Service	Equality Statement completed Proposal removed following consultation	36
73	Reduce the number of Music Development Officer Hours	Equality Statement completed Resolved	37
-	Increase Music Service charges	Equality Statement completed Proposal removed following consultation	37
86	Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an Invest to Save initiative utilising some of the space currently occupied by the Library to provide	Equality Statement completed Further equality	37

No.	Description of Saving	Action	Page No. (Linked)
	additional Health & Fitness capacity.	considerations are needed as the proposal progresses	
88	Leisure Services Management Restructure -Reduced Operational Management structure and loss of dedicated Sports Development function	Equality Statement completed Grant funding will be sought to deliver specific sports development functions where opportunities arise.	37
90	Review existing usage of Southwater 1 building to seek additional income generating opportunities.	Equality Statement completed Further equality considerations are needed as the review progresses	38
Law, Democracy & People Services			
91	Changes to People Services Structure	Equality Statement completed Resolved	38
Cooperative Council & Commercial Delivery Team			
101	Review of management of Council Community Centres - not currently possible to quantify amount of saving until review carried out	Equality Statement completed Further equality considerations are needed as the review progresses	38
109	Review of corporate grants to voluntary sector. We will no longer provide annual grants of £49,490 to Fairshare and £12,690 to A4U	Equality Statement completed Impact analysis is being conducted as part of the review of each grant	38

No.	Description of Saving	Action	Page No. (Linked)
Development, Business & Employment			
119	Reduction in provision of 16+ Transport assistance	Equality Statement completed The council will consult on changes to 16+ transport assistance.	39
Children's Safeguarding & Specialist Services			
143	Review of Fostering Offer	Equality Statement completed Resolved	40
144	New Operating Model for SEND.	Equality Statement completed Throughout implementation progress will be monitored within normal management processes.	40
145	Review Current Short Breaks Offer	Equality Statement completed A full impact analysis will be undertaken including monitoring. We will; •Ensure that Short Breaks that are offered are appropriate and effective through ongoing consultation and continued engagement with parent/carer forum and young people.	41

No.	Description of Saving	Action	Page No. (Linked)
		• Monitor the impact of the introduction of direct payments, including the range and breadth of short break activities being offered.	
146	Reduce number of Residential Care placements	Equality Statement completed Resolved	42
147	Reduce contribution to Tier 2 CAMHS service	Equality Statement completed Resolved	43
Education & Corporate Parenting			
149	Removal of vacant posts and changes to working patterns and rationalisation of funding available within Education & Corporate Parenting	Equality Statement completed Resolved	43
150	Changes to Transport Policy	Equality Statement completed The council will consult on the transport currently made under discretionary arrangements.	43
151	Reconfiguration of Specialist Services within Children & Family Services, including a reduction in the staffing levels across the teams. By combining functions where possible to create efficiency savings.	Equality Statement completed Resolved	44
152	Increases in Income Targets within various services within Education & Corporate Parenting	Equality Statement completed Resolved	44
153	Restructure so the strategic support for Early Years within the School Improvement service to rationalise provision.	Equality Statement completed	44

No.	Description of Saving	Action	Page No. (Linked)
		Resolved	
Family, Cohesion & Commissioning Services			
156	Savings arise from the introduction of a new operating model which reduces our capacity to deliver preventative services. The opportunity will also be taken to integrate children and adult preventative services. This saving will see a reduction in the number of and our input to children centre to a minimum. We will look for partners or communities to take on the running of some children centre services/activities.	Equality Statement completed We will undertake further consultation to ensure that we are supporting the delivery of services that meet local needs.	45
158	Closure of a number of youth clubs run by our part time youth workers	Impact Assessment completed Resolved	45
Public Health, Wellbeing & Public Protection			
162	Reduce budget for smoking cessation services in line with current demand	Equality Statement completed Resolved	49
163	Further reduction in the NHS Health Check programme activity	Equality Statement completed Resolved	50
164	Further efficiencies within drugs and alcohol services	Equality Statement completed Resolved	50
165	Decommission GP STI sexual health service	Equality Statement completed Resolved	50
166	Breastfeeding - Cease co-ordinator post within Shropshire Community Trust	Equality Statement completed Resolved	50
168	More efficient commissioning of Children 0-5 services	Equality Statement	51

No.	Description of Saving	Action	Page No. (Linked)
		completed Resolved	
172	No decommissioning of parenting project	Equality Statement completed Resolved	51
173	Delete a post within Public Protection supported by the Public Health grant	Equality Statement completed Resolved	51
177	Reduction in operational and training budgets	Equality Statement completed Resolved	51
Adult Social Services			
181	The current model of adult social care while demonstrating a level of savings by reducing demand and managing unit cost will not deliver the level of savings required. Over a 2016/17 and 2017/18 we will see a reduction in 5.350 million in the purchasing budget. The savings will be achieved by moving from the council providing a managed service, where we take responsibility for organising care provision to a direct payment and support planning model of service. The RAS will be re-calibrated to provide a personal budget for individuals to directly purchase and commission services. We anticipate clients will then make different decisions regarding transport, day care domiciliary care which will have implications for existing providers, contracts, brokerage and commissioning teams. This will maximise the amount of resources available to maintain people in community settings supported by a direct payment. Targeted actions are in place in relation to discharge to assess to ensure that we maximise efficiencies through integration and the Better Care Fund. We are also building upon the Alder Advice project to continue to work with adults with a learning disability and mental health problems in high cost residential placements, to find better outcomes at reduced cost.	Equality Statement completed Equalities officer to continue working with Service Delivery Manager: Service Improvement and Efficiency to deliver a visible equality assessed policy framework. All specific elements of this proposal will be assessed with regard to the General Equality Duty within this framework.	51
182	As we move to locality working we will see efficiencies in reducing duplication in work between council employees. The work force remodelling will require a reduction of assessment staff, the remaining workforce will be set individual targets and performance managed. A benchmark of a minimum of one	Equality Statement. Governance arrangements are in place to monitor	53

No.	Description of Saving	Action	Page No. (Linked)
	assessment/ review per day. Mobile working and home working will be the norm. The new workforce will see the introduction of support planners and peer brokers.	effective delivery.	
183	Both T&W Clinical Commissioning Group and the Council are committed to increasing the level of support funded by Continuing Health Care (CHC). An increase of £1m is a reasonable assumption given bench marking data	Equality Statement completed Resolved	53
184	The local authority spend on adults with a learning disability is high compared to both regional and national comparators. Working with T&W Clinical Commissioning group (CCG) it is possible not only to reduce funding but also improve outcomes for people. This will be achieved by working more efficiently with health partners and adopting a support planning approach.	Equality Statement completed Further consultation required to deliver co-produced strategy with service users.	53
185	There are a wide range of service models in place in Telford to support people in long term accommodation, each with a different contractual arrangement in place. By introducing a personal budget for individual people accessing services such as extra care and supported housing it will be possible to make savings and also provide greater choice and control for individuals similar, to that of people living in their own accommodation.	Equality Statement completed Resolved	54
--	Transport Age UK - transport to Age UK Day Centres. Moving to full cost recovery basis.	Equality Statement completed. This proposal has been put on hold and removed from the list pending a review to assess the scope for efficiencies or a different operating model rather than increasing charges to users.	54
186	Review of Voluntary Sector Agreements (SLAs)	Equality Statement completed Resolved	55

ii) Detailed information about actions 2016/17 to 2017/18

This section contains detailed information about the resolutions identified in section i) including equality statements, impact analysis and impact assessments.

Neighbourhood & Customer Services

- **Increase charge for Disabled Bay Applications and H Bars to recover full cost to council and may help to reduce demand**

This proposal has been removed following the outcome of consultation. The information remains to demonstrate compliance with the General Equality Duty.

Impact Analysis

Purpose and function of policy			
Residents holding a blue badge can apply for a disabled parking bay on highway subject to the following rules: • The applicant does not have a driveway • The applicant owns a vehicle (planned change) • The applicant has a blue badge confirmed by Revs & Bens • Highway conditions allow the installation There is current a charge of £42 which should be non-refundable which is to cover the administration not installation of the marking. It is proposed that this charge is increased to £275 to cover part of the installation cost however if the application is not successful a refund will be made, excluding the £42 non-refundable application fee. Residents requesting an access protection marking (h-bar) can apply for an advisory marking to be placed on the on highway subject to the following rules: • The applicant has a driveway • Highway conditions allow the installation There is current a charge of £42 which should be non-refundable which is to cover the administration not installation of the marking. It is proposed that this charge is increased to £330 to cover the installation cost however if the application is not successful a refund will be made, excluding the £42 non-refundable application fee.			
Who does this policy affect			
Workforce / Employees		Service Delivery / Communities	x
Author(s)			
Matt Powell, Team Leader – Network Management, Transport and Highways Development			
Signed off - Keith Harris, Service Delivery Manager, Transport and Highways Development - 15/12/2015			

The general equality duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

This policy will potentially impact on people who share the following protected characteristics.

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High *	Low #	No	
Age		x		x		All parties are able to apply and assessment is made based on the criteria above.
Disability		x		x		
Gender (Sex)		x		x		We receive a low number of applications for disabled bays (71), and whilst there is a negative impact in terms of cost on these the wider impact is limited. The cost of these bays will be subsidised by £55 compared to h-bar requests.
Gender reassignment		x		x		
Marriage/civil partnership		x		x		
Pregnancy/maternity		x		x		
Race		x		x		We receive a low number of applications for h-bars (7), and whilst there is a negative impact in terms of cost on these the wider impact is limited.
Religion/belief		x		x		
Sexual Orientation		x		x		
Deprivation (inc rural/urban)		x		x		

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for, or affects, significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

If a negative impact has been identified as High, then a Community Impact Assessment must be completed.

Monitor and review
Upon review, the number of applications/complaints will be reviewed against levels prior to the change. If necessary, the content of any specific complaints will be considered to determine the detriment to the community. The review will take place one year after implementation.

6 Increased revenue from weddings and burials as a result of a price increase following benchmarking

Telford & Wrekin Council manages three cemeteries located at Wellington, Wombridge & Castle Green.

We undertake body burials and cremated remains burials, but we don't ourselves undertake physical cremations as these are generally completed at Telford Crematorium.

Parish Churches still have some availability and Red Lake, Hadley and Newport Cemeteries have availability.

We have a Muslim section within Wellington Cemetery and Catholic Sections in Wombridge and Castle Green with an option to use an area of the Wellington extension for ALL faiths, with provisions there for the next 6-7 years.

We are raising non statutory Registration Service fees by 10% over 2 years and Burial Service fees by 20% over 2 years.

The rationale behind the decision is that the non statutory Registration Service fees relate to services that are also provided by the private sector and the increase considers that fact and that they must still remain competitive to ensure we secure the business. Residents do not have to purchase these services and the increase does not impact on the statutory fees for Registration Services, which are governed by the General Registrars Office. These services will remain available, they are a statutory requirement, so residents can choose which service to use.

When considering the increase in Burial Service fees, we considered the fees in Shropshire, which are provided by The Co-operative on behalf of Shropshire Council, and in Staffordshire, and whilst we have increased our fees, the Council still provides a range of options that will allow residents to manage the cost of funeral in one of the Council's cemeteries.

There are funeral grants available from DWP for carers of the deceased where proven monies aren't fully available. We also statutorily complete Public Health funerals where there are no funds and no relatives, these usually total a maximum of 6 - 8 per annum.

The very nature of burials is that the majority of deceased residents are elderly; however the customers of the burial services are the children of the deceased, and not themselves necessarily older or disabled.

These fee changes are not occurring in isolation but part of a large scale contribution toward creating income for the council to mitigate loss of budget in other areas such as social care for adults and young people.

The charge levied by the Council for a burial is a relatively small part of the overall costs that are charged to service users by Funeral Directors.

Based on previous assessments, there is no significant relevance to the equality duty.

Confirmed by Lee Higgins, Customer, Benefits, Registration and Library Services Manager, Neighbourhood & Customer Services

8 Reduce concessionary fares budget in line with passenger numbers which have dropped significantly over the last 3 years so no impact on service

The current annual budget for concessionary fares is £1,775,380 and has historically been under-spent on average by about £166,000 per year. Concessionary fare usage continues to fall year by year from £1,816,399 in 2010/2011 down to £1,593,647 in 2014/15. The reduction in budget will not have an impact on the ability for passengers to use their concessionary passes and the scheme will still operate as it currently does. A smaller contingency element will remain in the budget in order to account for any increases in concessionary fare journeys.

Confirmed by Keith Harris, Service Delivery Manager, Transport & Highway Development

16 PROW - Public Rights of Way Legal Orders - Legal Order fee taken up front rather than upon completion of a successful Order

This is a change in the process for recovering from third parties the expenses related to modifying Public Rights of Way to provide a small positive impact on the service without any impact on the public. The current process of modifying a Right of Way as a result of a Planning Application is to undertake the statutory PROW modification process and then recoup the costs from the developer once the modification is sealed. This places a financial risk on the Council as costs are incurred that cannot always be recovered. The process is being amended such that the fees to process the legal Order will be taken in advance of any work taking place. This will affect around 10 legal Orders per annum at an approximate cost of £1,500 per Order.

Confirmed by Keith Harris, Service Delivery Manager, Transport & Highway Development

17 Introduce a revised charging model for bulk collections

Impact assessment

Introduction

The aim of this change is to enhance the provision of the bulk collection service by increasing the number of items residents can request to be collected at one time from 6 to 12 items.

This will provide added service flexibility along with a sliding scale pricing structure.

There are currently no national guidelines or requirements for the bulk collection service provided by the Council. However, as most other local authorities offer a similar service benchmarking has been undertaken on how this service operates elsewhere.

Collections for large household items is a non-statutory service. The current charge for this service is £18 for 6 items and it is operated on an appointment basis.

The proposed changes will involve the following pricing structure:

Number of items	Cost
1-3	£18
4-6	£30
7-9	£45
10-12	£70

In addition, the Pride free or discounted charge collections will continue to be offered to the following groups up until end March 2019:

- Households with a resident over 65
- Households with residents who have a long standing illness or disability that limit their daily activities
- Households in receipt of Council Tax Support or Housing Benefit
- Households within areas to encourage participation with the service e.g. a number of TIA areas which are affected by high levels of fly tipping

Current statistics show that over 40% of service users only request collections of up to 3 items. Therefore, this proportion of residents will not be affected by any price change.

In addition, it provides the flexibility to residents to dispose of over 6 items in one appointment.

This change in policy will affect customers/service-users and some contractors and is intended to come into effect on 1 April 2017.

The following information will steer future service review from April 2017:

- Monthly tonnages and recycling performance information
- Customer requests, complaints and enquiries
- Contractor performance

The following information will steer future service review from April 2019 (new contract for the service):

- Customer Satisfaction Surveys every 3 years
- Waste Composition Analysis every 3 years.
- Monthly tonnages and recycling performance information
- Customer requests, complaints and enquiries
- Contractor performance

Name of person completing impact assessment and their post	Debbie Germany , Strategic Waste & Neighbourhood Performance Service Delivery Manager
Telephone	01952 384730
Date started	07/12/15
Other officers/Stakeholders involved	Sadie Roberts , Waste Contract and Customer Engagement Team Leader Richard Taylor-Murison , Equalities Officer

Impact assessment summary

Policies are assessed for their positive and negative impacts with regard to the General Equality Duty;

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

	Impact (X)		
	Positive	Negative	None
People of different ages			X
People with ill health or people with a disability	X		
People of different gender			X
People who are transgender			X
Different racial groups			X
People with different religion or beliefs			X
People of different sexual orientation			X
Women who are pregnant or breast-feeding			X
People that are married or in a civil partnership			X
People affected by deprivation	X	X	

Impact assessment detail

We are expecting a positive impact to occur in the following area.

- **People with ill health or people with a disability**

Positive impact as these residents would have physical difficulties in visiting a CRC. By increasing the amount of items collected at the kerbside and with some receiving a free collection or one at a discounted price, it makes the service more accessible from the kerbside.

We are expecting positive and negative impacts to occur in the following areas.

- **Deprivation**

Positive impact as residents receiving housing benefit or those that live in a TIA are (with the most reports of flytips) will have access to a kerbside collection service as an alternative to visiting a CRC which would require vehicle usage. It also allows residents the option of 12 items instead of 6.

Negative impact as there is a slight price increase in the staggered costs; however, over 40% of requests made in 2014/15 were for just 3 items and for these there will be no change in costs.

- **Borough wide impact**

The change will have a Borough-wide impact on every household within all our Wards and communities.

Bulk collection offers will continue to be provided up to end March 2019 to people with disabilities, people aged over 65 and people receiving benefit allowance. Discounts are also currently available within certain areas where there has been a need for residents to engage with the service e.g. some TIA's most affected by fly tipping. This enables residents to receive a discounted kerbside collection service of up to 6 bulky items from their household

Engagement and consultation

T&W officers regularly do a small satisfaction monitoring sample. From this information it showed that 13% of residents would prefer a different pricing structure based more on the size of the bulk collection (see Appendix 1)

Mitigating actions

After careful consideration of the potential impacts we have determined that there are no significant unjustified impacts. The benefits of the staggered pricing structure means that the collection service is being enhanced to allow more items to be collected at the kerbside with a more appropriate, proportionate pricing schedule.

It also helps to improve availability of bulky waste collection service for individuals with the greatest need. For example, increasing collection days from 2 to 4 and offering either free or discounted collections to the following groups:-

- Households with residents over 65
- Households with residents who have a long standing illness or disability that limits their daily activities
- Households in receipt of Council Tax Support or Housing Benefit
- Households within areas to encourage participation with the service e.g. a number of TIA areas which are affected by high levels of fly tipping

General Equality Duty

The council is required to pay due regard to the General Equality Duty in any of the above actions contribute to the aims of the General Equality Duty;

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

The change in service provision improves equality of access to waste management services for the whole Community but in particular people with disabilities or long term illnesses that affect their mobility will benefit from the improved services.

Information on how to access the service will be made available in appropriate formats to suit the diverse range of communication needs of our residents preventing discrimination on the grounds of race, including nationality, and disability.

This policy is proposed to be implemented for 1 April 2017.

Monitoring and review

The impact of the policy will be monitored and reviewed through Customer Satisfaction Surveys and Waste Composition Analysis completed every 3 years.

Appendix 1 - Sample satisfaction monitoring

Q1 Were you aware of the bulk collection discounts available to residents before you contacted us?	YES	TOTAL	%
	13	22	59.09
Q2 If yes, whereabouts did you find this information?	Method	TOTAL	%
	Facebook	1	8
	Leaflet	5	38
	T&W Website	1	8
	Word of Mouth	5	38
	Press	1	8
Q3 Did you manage to contact us easily?	YES	TOTAL	%
	21	22	95.45
Q4 Was it easy to give us all the information we needed?	YES	TOTAL	%
	22	22	100.00
Q5 Was the bulk taken without incident?	YES	TOTAL	%
	21	22	95.45
Q6 How often has the customer used the service/will they use it again?	YES	TOTAL	%
	22	22	100.00
Q7 How could we improve the service?	Suggestion	TOTAL	%
	Happy - nothing to improve upon	19	86.4
	Advertise More	1	4.5
	Itemised price list	3	13.6
	More Details on what can/can't be taken on WEB	1	4.5

18 Reduce subsidy on recycling credits

The Recycling Credit Scheme was first introduced in Section 52 of the Environmental Protection Act (EPA) 1990 in the absence of other policy levers to encourage recycling.

While not a mandatory requirement, it provides waste collection and disposal authorities with the power to pay not for profit third parties credits as a result of their own collection activities diverting recycling material from landfill. Where residents do not have an option to recycle through the Council's collection service this has helped Telford & Wrekin Council to meet its Duty of Care to secure continuous improvements in terms of economy, efficiency and effectiveness of the management of waste.

Residents now have the opportunity to recycle materials through the current range of recycling collection services, with new arrangements being introduced in April 2014 with the Veolia contract.

Confirmed by Debbie Germany, Service Delivery Manager, Strategic Waste & Neighbourhood Performance Service Delivery Manager, Neighbourhood & Customer Services

23 Decommission play areas - reduce maintenance of the sites 24 Pageant Drive, Aqueduct, 120 Aqueduct Drive, Doddington Hollinswood, Dudmaston, Hollinswood, Brands Farm Way, Dodmoor Grange, Boulton Grange, Cornbrook, Stirchley, Beckberry Drive, Berberis Road, Leegomery ball court, Smallwood, Sutton Hill 102 or 27 not both, Wrekin Avenue and Gravelly Drive. (Annual average cost of upkeep £2k each area)

Impact analysis

Purpose and function of policy			
There are currently in the region of 120 childrens equipped play areas in the Borough This proposal will see the removal of around 12 worn out play areas to reduce maintenance liability and ensure we adhere to our health and safety requirements			
Who does this policy affect			
Workforce / Employees		Service Delivery / Communities	Y
Author(s)			
Dave Hanley, Service Delivery Manager – Highways & Neighbourhood Services			
Date completed:			
15 December 2015			

The general equality duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High *	Low #	No	
Age				Low impact on young people		Alternative play areas are in the vicinity
Disability					no	
Gender (Sex)					no	
Gender reassignment						N/A
Marriage/civil partnership						N/A
Pregnancy/maternity						N/A
Race						N/A
Religion/belief						N/A
Sexual Orientation						N/A
Deprivation (inc rural/urban)					no	

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for or affects significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

Monitor and review
We will monitor customer enquiries and complaints

- **Reduce previous enhancement of winter maintenance service**

This proposal has been removed following the outcome of consultation. The information remains to demonstrate compliance with the General Equality Duty.

Impact analysis

Purpose and function of policy			
In addition to the gritting defined roads in the winter maintenance policy, the council also treats 'cold spots' where ice can form when freezing temperatures are experienced over a number of days. These areas will be assessed prior to treatment so to identify if ice has formed. The winter service was enhanced to include snow clearing from footways after a significant snow event. Snow clearing these areas will be prioritised so to avoid additional costs			
Who does this policy affect			
Workforce / Employees		Service Delivery / Communities	Y
Author - Dave Hanley, Service Delivery Manager – Highways & Neighbourhood Services			
Date completed: 17 December 2015			

The General Equality Duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High *	Low #	No	
Age				low		Future policy will prioritise snow clearing for vulnerable members of the community. The council will also coordinate our 170 snow wardens
Disability				low		Future policy will prioritise snow clearing for vulnerable members of the community. The council will also coordinate our 170

						snow wardens
Gender (Sex)						N/A
Gender reassignment						N/A
Marriage/civil partnership						N/A
Pregnancy/maternity						N/A
Race						N/A
Religion/belief						N/A
Sexual Orientation						N/A
Deprivation (inc rural/urban)						N/A

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for or affects significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

Monitor and review
We will monitor; • enquiries and complaints • cold spots and ice forming

27 Lighting energy from invest to save - move to LED lighting across the borough and look to dim lights during the evening

Impact analysis

Purpose and function of policy			
Major positive already from installing LED lighting. This will improve lighting quality, at the same time deliver a saving on energy. It is possible to dim the lights 'adaptive' lighting to further reduce costs. It is not the intention to switch off lights as with other local authorities LED lighting provides a clearer white light which will benefit pedestrians and road users			
Who does this policy affect			
Workforce / Employees		Service Delivery / Communities	Y
Author - Dave Hanley, Service Delivery Manager – Highways & Neighbourhood Services			

Date completed: 17 December 2015

The General Equality Duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High *	Low #	No	
Age	Yes					Brighter lighting from LED improves visibility
Disability	Yes					Brighter lighting from LED improves visibility
Gender (Sex)						N/A
Gender reassignment						N/A
Marriage/civil partnership						N/A
Pregnancy/maternity						N/A
Race						N/A
Religion/belief						N/A
Sexual Orientation						N/A
Deprivation (inc rural/urban)						N/A

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for or affects significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

Monitor and review

We will monitor customer enquiries and complaints

Savings proposals 32 – 41 and 86 are considered in the impact assessment - Review of the Library Service provision

- 32 Library Service - Reduce the book fund by 50%**
- 33 Cease Mobile Library Service**
- 34 Close Madeley Library**
- 35 Close Stirchley Library**
- 36 Close Donnington Library**
- 37 Close Dawley**
- 38 Reduce Opening Hours of Newport Library by 1.5 days per week and retain as a first point service with a self service only community library**
- 39 Close Hadley Library**
- 40 Oakengates Library - theatre staff to take on full ownership following implementation of self service kiosks.**
- 41 Reduction in development team and support costs for Libraries which will be achieved as long as there is support for the library closures outlined**
- 86 Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an 'Invest to Save' initiative utilising some of the space currently occupied by the library to provide additional Health & Fitness capacity. (see Leisure, Culture & Facilities Services proposal comment - page 37)**

Review of the Library Service provision Impact assessment

Introduction

The aim of the review is to close the following libraries:

- Dawley Library
- Donnington Library
- Hadley Library
- Madeley Library
- Newport Library
- Stirchley Library
- Mobile Library Service

The proposal will also reduce the amount of work undertaken by the Library Development Team. The review will deliver savings of £548,000 that will contribute to the Council's savings target of £30m over three years, resulting from the Government's reduction in funding for the Council. These initial proposals are part of our overall budget strategy and we would like active engagement from all parts of society to help support the provision of library services (see Engagement & Consultation below).

The Library Service will be delivered from:

Southwater Library	Open 60.5 hours per week
Wellington Library	Open 100 hours per week
Oakengates Library	Open 44 hours per week
Library Home Delivery Service	
Online Library Service	Always available

The change in service will impact on customers, partners, who deliver services at the libraries that are proposed to close and employees.

It is planned to introduce the changes from 1st April 2017

Name of person completing impact assessment and their post	Lee Higgins, Customer, Benefits, Registration and Library Services Manager
Date started	7 th December 2015
Other officers/Stakeholders involved	Angie Astley, Assistant Director, Neighbourhood & Customer Services

Impact assessment summary

Policies are assessed for their positive and negative impacts with regard to the General Equality Duty;

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

This proposal will impact on the universal service available to the whole borough however there are people who share protected characteristics that may be impacted more than others. These groups are identified below;

	Impact (X)			Comment
	Positive	Negative	None	
People of different ages		X – Young people 0-18		48% of library users are young people (0-18 years) This is significantly greater than the borough proportion of 0-19 year olds – 25.9%

People with ill health or people with a disability			X	No information held
People of different gender		X		62% of library users are female higher than the borough population of 50.4%.
People who are transgender				Not relevant
Different racial groups			X	84% of library users who have declared their ethnic group are White British & European less than the all-age borough information but is broadly consistent with the ethnic profile of the 0-19 age group.
People with different religion or beliefs			X	Not relevant
People of different sexual orientation			X	Not relevant
Women who are pregnant or breast-feeding			X	No information held
People that are married or in a civil partnership			X	Not relevant
People affected by deprivation		X		Several libraries are located in areas with a higher level of deprivation than the borough average.

Impact assessment detail

The on-going Library Service will meet its statutory duty to provide a library service that is comprehensive and efficient, and free provided in most instances, including internet access, and will meet the Service's aims to ensure that people can access books and information when and how they want to; to support learning and wellbeing; to provide a quality library service that is responsive to change and is relevant to people throughout their lives.

Whilst we recognise that there will be a negative impact on all customers that use these libraries and services, including First Point services at Madeley and Newport Libraries , as we are proposing to reduce the service, the following services will help mitigate this impact:

Home Library Service

Is a free service, delivered by volunteers, where we can offer a regular delivery of books to a customers home. The service is available to anyone who finds it difficult through age, disability or responsibility for caring for someone else to use their local library. The service can provide books in different formats such as large print or audio books on CD.

Online Library Service

Is a free service, that gives customers access to a range of services including:

- Online joining
- e-books
- e-audio books
- e- magazines
- renewal of items on loan
- book reservation
- access to online research
- Britannica Study Guide
- Ancestry library service
- Oxford Reference

The following table shows maximum distance a customer will have to travel to a library under these proposals:

Proposed Library Closure	Nearest Library	Distance
Dawley Library	Southwater Library	2.5 miles
Donnington Library	Southwater Library	2.5 miles
Hadley Library	Wellington Library	2.5 miles
Madeley Library	Southwater Library	4.5 miles
Newport Library	Oakengates Library	7 miles
Stirchley Library	Southwater Library	2 miles

The following table shows the number of hours each library is currently open, the number of books borrowed from each of our libraries and the number of visitors, that will also include customers who access the activities or computers that are available at each library:

	Hours Open Per Week	Issues	Renewals	Total	Visitors
Dawley Library	21	6,220	1,586	7,806	3,050
Donnington Library	16	11,073	2,688	13,761	11,200
Hadley L.C. Library	19	10,812	3,082	13,894	11,250
Madeley Library	35	36,097	9,083	45,180	36,500
Newport Library	35	54,673	13,976	68,649	76,750
Oakengates Library	44	10,189	2,354	12,543	10,650
Southwater Library	60.5	81,471	16,627	98,098	271,150
Stirchley Library	39.5	7,216	1,160	8,376	2,550
Wellington Library	100	99,434	19,437	118,871	133,000

The table in Appendix A shows the average number of customers per week using the Mobile Library Service.

This information demonstrates disproportionate cost per customer for this service.

The Council is proposing to facilitate other organisations such as a Parish and Town Councils, the community and voluntary sector and schools to open and operate community libraries in their areas.

Engagement and consultation

The initial consultation on these proposals will be as part of the Council's wider budget consultation process that will commence in January 2016.

Following the outcome of the Budget Consultation, the Council will consult further on these proposals. We are unable to provide further specific detail of future actions or consultation at this stage. However we will seek to engage effectively through the consultation stages with:

- Current users of the Library Service
- Museums, Libraries & Archives Board
- Elected Members
- Parish & Town Council's
- Local People as represented by the Community Panel
- Other Council services

This will be achieved through a combination of public events, targeted and general online and postal consultation surveys.

We will ensure that we are considering people who share a range of protected characteristics during the consultation and service impact.

We will, throughout this process, seek guidance and support from the Community Participation Team.

Following the conclusion of the Budget consultation (8 January – 7 February 2016)
Proposal 38 – Close Newport Library has been amended to;

Reduce Opening Hours of Newport Library by 1.5 days per week and retain as a first point service with a self service only community library

Currently the Library building is open and staffed for 35 hours per week. The building opening hours will be reduced to 25 hours, and a First Point service will be delivered during these hours facilitating access to the Council. Access to library services will be on a self service basis. The reduction of hours will mean that the building is closed on Mondays and Saturday afternoons, the least used periods of the week.

This change ensures that face to face access to basic council functions is available to Newport residents without significant travel. This recognises the outlying nature of Newport's location, its overall size and the demography of the area.

Appendix A

Average number of weekly customers visiting the mobile library service by location

Location & Time	Average Weekly Customers
Donnington – High Mount (S) 10.00 – 10.30 Monday Week 1	0.1
Donnington Wood – Kenwray Drive 10.45 – 11.15 Monday Week 1	0.1
Priorslee Surgery Carpark 11.30 – 12.00 Monday Week 1	3.2
Oakengates – Frizes Leasowe (S) 12.15 – 12.45 Monday Week 1	0.0
Oakengates – Walton Court (S) 1.30 – 2.00 Monday Week 1	0.2
Trench – Newfield Court (S) 2.15 – 2.45 Monday Week 1	0.1
Donnington – Millward Close (S) 3.00 – 3.30 Monday Week 1	0.0
Hadley – Haybridge Hall (S) 10.00 – 10.30 Tuesday Week1	0.1
Leegomery – Brecknock Court 10.45 – 11.15 Tuesday Week1	0.1
Leegomery – Lawton Farm Way 11.30 – 12.00 Tuesday Week1	0.6
Preston by Field House 12.15 – 12.45 Tuesday Week1	3.6
Kynnersley by Meadow Place 1.30 – 2.00 Tuesday Week1	2.8
Cherrington – Manor View 2.15 – 2.45 Tuesday Week1	2.1

Tibberton – Village Hall 3.00 – 3.30 Tuesday Week1	3.8
Tibberton – Village Seat 3.40 – 4.00 Tuesday Week1	4.2
Muxton – Saltwells Drive 9.30 – 10.00 Thursday Week1	2.0
Lilleshall – Old Hall 10.15 – 10.45 Thursday Week1	6.3
Lilleshall – Limekiln Lane 11.00 – 11.30 Thursday Week1	1.4
Edgmond – High Street 11.45 – 12.45 Thursday Week1	7.4
Newport – Hallcroft Close (S) 1.30 – 2.00 Thursday Week1	1.1
Newport – Elkington Close (S) 2.15 – 2.45 Thursday Week1	0.3
Church Aston – Village Hall 3.00 – 3.30 Thursday Week1	3.5
Wellington – Hornbeam Close (S) 10.00 – 10.30 Friday Week1	0.6
Wellington – Carvers Close 10.45 – 11.15 Friday Week1	1.2
Wellington – Hesba Close (S) 11.30 – 12.00 Friday Week1	2.2
Wellington – Oliver Court (S) 12.15 – 12.45 Friday Week1	2.7
Wellington – Apley Court (S) 1.30 – 2.00 Friday Week1	2.8
Holyhead Road – Ketley Community Centre 2.15 – 2.45 Friday Week1	0.3
Long Lane – Bucks Head 10.00 – 10.30 Monday Week 2	2.7
Crudgington – Manor Place 10.45 – 11.15 Monday Week 2	0.0
Cold Hatton Heath – Stars Lane 11.30 – 12.00 Monday Week 2	1.0
Ellerdine – Village Hall 12.15 – 12.45 Monday Week 2	0.7
Ellerdine Heath by Cottage Farm 1.30 – 2.00 Monday Week 2	0.4
Waters Upton – Quarry View 2.15 – 2.45 Monday Week 2	2.1
Great Bolas – Bus Stop 3.00 – 3.30 Monday Week 2	0.0
Coalport – Riverside Terrace 10.00 – 10.30 Tuesday Week2	0.0
Ironbridge – Museum of the Gorge 10.45 – 11.15 Tuesday Week2	1.3
Coalbrookdale – Cokehearth 11.30 – 12.00 Tuesday Week2	0.1
Little Wenlock – Village Hall 12.15 – 12.45 Tuesday Week2	1.3
New Works opposite Parish Noticeboard 1.30 – 2.00 Tuesday Week2	4.1
Lawley by Post Office in Glendale 2.15 – 2.45 Tuesday Week2	2.0

Overdale – Carpenter Centre 3.00 – 3.30 Tuesday Week2	1.0
The Rock – Rockall Way 3.45 – 4.15 Tuesday Week2	5.6
Admaston – Sutton Road 10.00 – 10.30 Thursday Week2	6.9
Wrockwardine – The Avenue 10.45 – 11.15 Thursday Week2	2.6
Walcot – Meadow Drive 11.30 – 12.00 Thursday Week2	0.1
Rodington – Village Hall 12.15 – 12.45 Thursday Week2	4.2
Rodington Heath – Sunningdale 12.50 – 1.15 Thursday Week2	0.0
High Ercall – Ridgway 2.00 – 2.45 Thursday Week2	6.8
High Ercall – Shop Lane 3.00 – 4.00 Thursday Week2	4.1
Sutton Hill Centre – Carpark 10.00 – 10.30 Friday Week2	2.2
Madeley – Chillcott Gardens (S) 10.45 – 11.15 Friday Week2	1.6
Woodside – Park Lane Centre and Parkwood (S) 11.30 – 12.00 Friday Week2	0.9
Brookside – Local Centre Burford 12.15 – 12.45 Friday Week2	0.0
Stirchley – Churchway opposite Catstree 1.30 – 2.00 Friday Week2	1.0
Lightmoor Village by school 2.15 – 2.45 Friday Week2	0.0
Hollinswood Local Centre 3.00 – 3.30 Friday Week2	0.1

- 60 Bring forward the agreement already contracted for to rationalisation of current CRC's and develop a new state of the art CRC open 7 days per week at Hortonwood after which the closure of Ketley and notice given to end the contract at Granville CRC.**

Impact assessment

Introduction

The aim of the policy is to enhance the provision of Community Recycling Centre (CRC) services and deliver savings, through the early opening of the new Hortonwood CRC, retention of Halesfield and closure of Ketley and Granville CRCs.

Current CRC opening hours are 5 days per week (all sites) (except Christmas Day, New Years Day and Boxing Day), Weekdays 8am-4.30pm weekends (Nov-Feb) 10-3.30pm Summer (8am-4.30pm). A total of 2133.5 hours planned in 2016 year.

CRC opening hours will be extended to 7 days a week (both sites) (except Christmas Day, New Years Day and Boxing Day), 9.00 am to 5.00pm (all year) through the change in CRC

service to be delivered by Veolia Environmental. A total of 2904 hours planned in 2016 year.

Under the new provision CRC will be available for 770 hours extra per year (see Appendix A)

This change in policy will affect customers/service-users and some contractors.

It is intended to come into effect on 1 October 2016 and is currently planned to be in place until 31 March 2038

The following information will steer future service review:

- Customer Satisfaction Surveys every 3 years
- Waste Composition Analysis every 3 years.
- Monthly tonnages and recycling performance information
- Customer complaints and enquiries
- Contractor performance

Name of person completing impact assessment and their post	Debbie Germany , Strategic Waste & Neighbourhood Performance Service Delivery Manager
Telephone	01952 384730
Date started	07/12/15
Other officers/Stakeholders involved	Sadie Roberts , Waste Contract and Customer Engagement Team Leader Richard Taylor-Murison , Equalities Officer

Impact Assessment summary

Policies are assessed for their positive and negative impacts with regard to the General Equality Duty;

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

People of different ages

People with ill health or people with a disability

People of different gender

People who are transgender

Impact (X)		
Positive	Negative	None
		X
X		
		X
		X

Different racial groups

People with different religion or beliefs

People of different sexual orientation

Women who are pregnant or breast-feeding

People that are married or in a civil partnership

People affected by deprivation

		X
X		
		X
		X
		X
X	X	

Impact Assessment detail

We are expecting positive and negative impacts to occur in the following areas.

- **Religion or belief**

Current Provision - Each CRC is closed 2 days per week

Proposed change – Each CRC is open 7 days per week and longer hours

This increases the overall time available for access to CRC, particularly supporting those for those who may not use the CRC on specific days due to their religious belief.

Only 71% of customers surveyed in November 2014 were satisfied with the opening hours at CRC sites.

- **Disability**

The New CRC and existing CRC, which will be refurbished, will have improved access and ramps making accessibility easier.

- **Deprivation**

Positive impact as longer opening hours will make all sites more accessible

In particular there will be a positive impact on Donnington residents, an area recognised as having significant levels of deprivation, will have a shorter travel time to access the Hortonwood CRC.

Around 200 properties in College, an area recognised as having a significant variation of deprivation with some particularly affluent areas and areas where deprivation is higher than the borough average. These residents will need to travel slightly further to access the Hortonwood CRC.

Positive impact on all other TIA's as the Halesfield CRC site will be refurbished and equipped to accept a larger range of waste.

- **Borough wide impact**

The change will have a Borough-wide impact on every household within all our Wards and communities.

Inevitably there will be some variations in travel time for residents to visit their nearest CRC. Overall 1,000 properties will have less travel distance to their nearest CRC (5,826 properties currently travel more than 6 miles which will be reduced to 4,840).

The current furthest distance to travel is 12 miles which will be reduced to 11 miles. All travel time distances and CRC capacity provision fall within WRAP (Waste Resource Action Programme) recommendations. To illustrate further Appendix B is a map of the CRC provision current and new.

Bulk collection offers will continue to be provided up to end March 2019 to, people with disabilities, people aged over 65 and people receiving benefit allowance. Discounts are also currently available within certain areas where there has been a need for resident to engage with the service e.g. some TIA's most affected by fly tipping. This enables residents to receive a discounted kerbside collection service of up to 6 bulky items from their household,

The service is proposed as part of the 16/17 budget proposal to increase collections to up to 12 items from April 2017 based on a sliding scale of charges.

Engagement and consultation

The CRC satisfaction survey undertaken in November 2014 highlighted that only 71 % of residents were satisfied with the current CRC opening hours.

It also showed that residents using the Halesfield site are significantly more satisfied with the location (97%) and the ease of site access compared to Granville and Ketley site.

The customer survey results will be taken into consideration with the planning and design of the new site at Hortonwood.

A more detailed analysis of the satisfaction survey is shown in Appendix C and D.

An important tool for measuring service performance is effective service user engagement. Throughout the life of the contract we will monitor:

- Customer Satisfaction Surveys every 3 years
- Customer complaints and enquiries

Mitigating actions

After careful consideration of the potential impacts we have determined that there are no significant unjustified impacts. The benefits of the new more accessible facilities outweigh the increased inconvenience to a relative small number of potential users.

For those who have slightly further to travel the increase in distance is not considered significant enough to warrant further intervention particularly as they already benefit from enhanced collections services. These changes have seen increased participation in the collection services, reducing the necessity to visit CRC sites.

Enhanced services (targeted at those with the greatest need) include;

- Roll out of the new enhanced recycling service in April 2014, a household's standard container capacity for recycling has increased by 145L, residents have also benefitted from a wheeled bin collection for glass, cans and plastic, making storing, handling and sorting of containers easier for residents.
- Improved availability of bulky waste collection service for individuals with the greatest need. For example, increasing collection days from 2 to 4 and offering either free or discounted collections to the following groups:-
 - Households with resident over 65
 - Households within TIA area's
 - Households with residents who have a long standing illness or disability that limits their daily activities
 - Households in receipt of Council Tax Support or Housing Benefit

In order to make sure the whole community can take advantage of the excellent service and facilities there will be a dedicated communication plan regarding promotion of the new CRC sites.

Information will be distributed in August 2016 to each household which will be visually presented to ensure inclusion of all groups.

For those who have visual impairments that prevent them from seeing the information, services will be available to explain the new provision verbally. The communication plan will also include the use of local radio media to promote the new enhanced facilities.

General Equality Duty

The council is required to pay due regard to the General Equality do any of the above actions contribute to the aims of the General Equality Duty;

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

The change in service provision improves equality of access to waste management services for the whole Community but in particular people with disabilities or long term illnesses that affect their mobility will benefit from improved sites.

Information on how to access the service will be made available in appropriate formats to suit the diverse range of communication needs of our residents preventing discrimination on the grounds of race, including nationality, and disability.

Access to the majority of waste management services is via the kerbside using containers, sacks in sizes appropriate for the customer to be able to manage their movement or an assisted pull out service.

In addition, bulk collections can also be arranged from the kerbside where there is a free offer for residents over the age of 65, or with a disability helping to maintain equality of access for people who share these protected characteristics.

Geographically, CRC's are provided in the north and south of the borough providing relative parity of access across the borough.

This policy is proposed to be implemented for 1 October 2016.

Monitoring and review

The impact of the policy will be monitored and reviewed through Customer Satisfaction Surveys and Waste Composition Analysis completed every 3 years.

Leisure, Culture & Facilities Services

- Cease providing Creative Arts Service

This proposal has been removed following the outcome of consultation. The information remains to demonstrate compliance with the General Equality Duty.

The Creative Arts Team are essentially a commissioned service and have traditionally provided creative arts development for the community as groups and individuals. These commissions have reduced in size and reach in line with the reduction of available budgets for health and wellbeing activity either from Public Health or through other services such as Community Safety, Lifelong Learning, Children's services or Adult Social Care. They provide a service which supports for some of or most vulnerable members of the community including Children with disabilities, adult carers, adults with learning disabilities, adults at risk of offending, adults with dementia etc. More recently the team have begun to charge a management fee for their time but this income only equates to a third of the cost of the whole team. The argument for the continuation of this team and service will lay in the prevention agenda and the unmeasured value of keeping people well and preventing them from entering the health care system.

The Team are currently commissioned until the end of March 2016 to deliver commissions for Shortbreaks activity for Children with disabilities and Me Time – a commission to provide diversionary activity for Carers and their cared for people. There are discussions underway to continue these two commissioned schemes and one other from lifelong learning around training and social skills development, however the administrative/management fees for this work do not cover the cost of the staff involved.

We will need to carry out a full community impact assessment to evaluate the cost of losing this team and their capacity to support a vulnerable section of our community and support them to remain well.

It should also be noted that a reduction in the core team will reduce the capacity to attract external funding and commissions to carry out the work previously described.

A change of location for the Arts & Culture Service to the Assistant Director for Wellbeing in a recent restructure of the Senior management team may provide additional opportunities for a wider discussion as to the prevention agenda and providing services which prevent people from getting unwell on cost and value basis.

Confirmed by Psyche Hudson, Arts & Culture Services Manager, Neighbourhood & Leisure Services

73 Reduce the number of Music Development Officer Hours

Currently, music tutors fulfil the role of Music Development officers who are overqualified for this role. This proposal will see a more realistic meeting of roles relative to the skills and qualifications of individuals.

Confirmed by Psyche Hudson, Arts & Culture Services Manager, Neighbourhood & Leisure Services

- Increase Music Service charges

This proposal has been removed following the outcome of consultation. The information remains to demonstrate compliance with the General Equality Duty.

This is a standard increase in music service charges consistent with market costs from £8.50 to £9.00. Where affordability is a concern remission policies exist to enable pupils to access the service.

Confirmed by Psyche Hudson, Arts & Culture Services Manager, Neighbourhood & Leisure Services

86 Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an Invest to Save initiative utilising some of the space currently occupied by the Library to provide additional Health & Fitness capacity.

This proposal is at an early stage. As the 'invest to save' case explores these potential changes, we will take into consideration the likely impact on access to service both leisure and library users ensuring full regard is paid to the General Equality Duty. For example this may include consideration of equipment to meet the specific needs of people who have a disability.

Confirmed by Stuart Davidson, Leisure Service Delivery Manager, Culture and Facilities Management

88 Leisure Services Management Restructure -Reduced Operational Management structure and loss of dedicated Sports Development function

The loss of dedicated sports development function reduces the availability of this function within the borough, potentially impacting the delivery of specific sports activities commissioned to support young people, people with long term health conditions and people with disabilities. However, there are a number of organisations that deliver similar functions within Telford and Wrekin including the County Sports Partnership (Energize STW), and national governing bodies for particular sports and other community partners who may be commissioned through external funding to deliver these activities.

Grant funding will be sought to deliver specific sports development functions where opportunities arise.

Confirmed by Psyche Hudson, Arts & Culture Services Manager, Leisure, Culture and Facilities Management

90 Review existing usage of Southwater 1 building to seek additional income generating opportunities.

The review of SW1 usage will ensure that due regard is paid to the General Equality Duty taking into consideration the current usage and prospective use.

Confirmed by Stuart Davidson, Leisure Service Delivery Manager, Culture and Facilities Management

Law, Democracy & People Services

91 Changes to People Services Structure

This savings proposal will affect the implementation schedule for Single Status moving to completion of implementation by June 2017.

Single Status is a national agreement reached between employers and trade unions. The objective of the agreement is to remove unfairness in the pay and conditions of service for NJC employees and ensure equal pay for work of equal value and redress any gender pay gap.

The council is currently working with trade unions towards the implementation of this agreement and is evaluating all NJC jobs across the council using a new, analytical job evaluation scheme. This will ensure that the councils pay and grading structure, including terms and conditions of service, comply with equal pay legislation. When this is completed the scheme will be negotiated and agreed with trade unions and in consultation with affected employees.

Throughout the process all necessary assessments and analysis will take place to ensure the proposals meet current equality and pay legislation, including the general equality duty.

Confirmed by Anna Plummer, Project Manager, Job Evaluation Team; Law, Democracy and People Services

Cooperative Council & Commercial Delivery Team

101 Review of management of Council Community Centres - not currently possible to quantify amount of saving until review carried out

This proposal will see a review of the 5 Council run community centres and their management arrangements. As part of the review process the implications of any changes to management arrangements or the impact of potential closure for each centre will be considered.

Confirmed by Rachael Jones, Service Delivery Manager, Community Participation Team, Co-operative Council and Commercial Delivery Team

109 Review of corporate grants to voluntary sector. We will no longer provide annual grants of £49,490 to Fairshare and £12,690 to A4U

There are 4 corporate grants to voluntary sector organisations administered by the Cooperative Council & Commercial Delivery Team, the annual grant for each organisation

is as follows; A4U £12,690, Telford & Wrekin CAB £232,000, FAIRshare £49,490 and Rights and Fairness Telford £17,000.

The council has provided grants to these 4 voluntary sector organisations for a number of years, the current grant agreements are due to end on 31 March 2016. The grants were originally allocated for a variety of reasons as a contribution to the running costs of these organisations. The organisations work with a wide range of residents, some of which are vulnerable members of the community. Impact analysis is being conducted as part of the review of each grant.

Confirmed by Rachael Jones, Service Delivery Manager, Community Participation Team, Co-operative Council and Commercial Delivery Team

Development, Business & Employment

118 Reduction in provision of 16+ Transport assistance

The Council provides transport assistance to young 16+ learners in various ways including;

- funding buses
- discounting passes
- mileage support
- taxis and mini buses where learners are unable to travel independently

The Council will introduce a more consistent transport parental contribution policy for all post 16 learners accessing transport assistance funded by Telford & Wrekin Council.

Changes may include;

- Ending assistance for those already in receipt of a mobility allowance.
- Requiring all parents to make a consistent contribution to Council funded transport provision.
- Ending discounted rates on Arriva passes for learners travelling more than three miles.

We will develop a policy that sets out the expected transport parental contribution costs. It will ensure consistent implementation of a fair set of transport options taking account of specific needs across all learners.

The expected parental contribution will be set the same as the Arriva student saver pass. Parents on low incomes and who need help with their contributions will be able to apply for a bursary from their post 16 learning provider.

For those learners who are unable to travel independently and for those whose costs are more than the expected parental contribution top up assistance will be considered but we will always explore alternative approaches where possible.

This has led to some success. For example, we have worked with colleges who are now putting on much of their own transport. As a result of this the two colleges have withdrawn their funding support of £60k to the Council for post 16 transport assistance. At the same time students get a more flexible and timely service orientated directly around their needs.

The council will consult on changes to 16+ transport assistance.

Confirmed by Sue Marston, Skills Service Delivery Manager, Skills Delivery, Lifelong Learning, Careers & Youth Employment

Children's Safeguarding & Specialist Services

143 Review of Fostering Offer

To further develop the fostering service by implementing a broader approach to the fostering offer to children and young people. This will include a focus on recruiting carers who can support our children who present with complex and challenging needs, sibling groups and sole placements. There will be an opportunity to review and revise our offer for care leavers. The Council will also look to increase the ratio of internal/external foster number, thereby reducing cost without impacting on quality. The saving target assumes that we will have 30 more foster placement between April 2016 and April 2019 more internally recruited foster carers to replace those procured externally.

The current pressure upon the foster care services is that there are insufficient internal foster carers to meet of specific children and young people who are taken into care. We need to increase the number of foster carers who can provide respite and short breaks care for children with disabilities, placements for large sibling groups, parenting assessment placements and teenagers to provide a few examples.

We wish to attract, train and develop carers to meet the specific care needs of these specific targeted groups of children and young people.

There will be increased opportunity for members of to community if they meet the fostering standards and regulations for recruitment to become foster carers. As a consequence the Council is supporting the community to achieve improved economic opportunities.

Children who remain in Telford and do not move away from the area will benefit from maintaining appropriate links with their wider families and friends, maintain their school placement, become involved in local recreational services and social workers are better able to support their needs than if they moved to live away from Telford because of insufficient foster carers to meet their needs.

Specific council services would be reviewed and changes made within the fostering service in specific areas to better meet their needs.

Confirmed by Angela Yapp, Service Delivery Manager, Family Placements, Children in Care, Leaving Care & Emergency Duty Team; Children's Safeguarding & Specialist Services

144 New Operating Model for SEND

This saving proposal reflects efficiencies identified in the completed review of SEND provision. The review says that better outcomes for children and young people with special education needs or disabilities can be achieved through the combination of

- individual care planning – known as Education, Health and Care Plans (ECHP)
- personal budgets matched to their needs

- Locality based co-ordination

Co-ordinators will be within locality based teams and are able to develop relationships with local services and make more effective use of the teams around them. As Children and young people who use the service move to this approach their needs will be considered on a case by case basis taking account of their specific needs with a clear emphasis on self-directed support planning.

As this will deliver a streamlined and efficient service with a multi-skilled team there will be a need for less co-ordinators overall.

It will take sometime for the services to become embedded. If there are delays in this process it may lead to children and young people waiting longer for individual assessment than necessary. Throughout implementation progress will be monitored within normal management processes.

Confirmed by Jo Britton, Assistant Director Children's Safeguarding & Specialist Services

145 Review Current Short Breaks Offer

Short break provision is the term used for a range of services provided for families to give carers of disabled children a break from caring and for children to take part in fun activities and have new experiences away from home.

This proposal will also see some children and young people be given personal budgets to purchase provision that suits their needs.

We currently provide, fund and subsidise a range of short breaks for children with disabilities, often booked on a 'block contract' basis. This proposal will see removal of block booking of short break provision for children with disabilities and will therefore offer a wider choice.

We will assess the needs of children and young people and some will receive a personal budget to purchase short breaks. We will then support parents and children to identify which short breaks are most appropriate and meet their needs effectively.

Whilst we will continue to provide funding for short break, we may re- consider the arrangements for financial contributions.

As the new system is introduced there may be short term impacts on some children and their parents. However, evidence suggests that greater personal choice can lead to improved outcomes for children.

A full impact analysis will be undertaken including monitoring. We will;

- Ensure that Short Breaks that are offered are appropriate and effective through ongoing consultation and continued engagement with parent/carer forum and young people.
- Monitor the impact of the introduction of direct payments, including the range and breadth of short break activities being offered.

Confirmed by Jo Britton, Assistant Director, Childrens Safeguarding and Specialist Services

146 Reduce number of Residential Care placements

This proposal relates to the targeted reduction of residential placements for young people, typically 11-16 years old. They are likely to have had behavioural difficulties and their parents/carers have requested for them to become accommodated in what maybe perceived by the family as a crises situation.

The proposal does not include young people where there is evidence of a child protection/safeguarding investigation.

The approach helps to meet the individual needs of the young people and effectively involve them in the in the consideration of their support and care. There has been some success by involving a child centred approach for stepping children down from residential by involving them in their referral information for placements or has proved helpful with supporting them to return to their families. It enables the children to have a voice and to see what is being recorded about them. It also enables them to record things that professionals may not necessarily think about when completing a referral but is considered important by the child/young person ie child likes have a night light on.

For example the referral process was identified as a weakness that could be improved by more effectively involving the affected young person referral more accurately reflects the needs and wishes of the child. This type of involvement advances their right to autonomy and self determination. It has also lead to the diversion from, and reductions in time spent in a residential placement.

There are currently 34 residential placements within the scope of this savings. In the last year this has been as little as 30 young people in full time residential placements. The figure is a significant reduction over previous years where placements sometime s totalled over 50 at any one time.

An Edge of Care team has been established working across the Children services to continue delivering the best sustainable outcomes for young people in a range of placements which includes residential and children at risk of becoming accommodated by the local authority for behavioural reasons. They supplement current provision to the young people/placement provider and aid other professionals in their approach through consultation, joint working and an individual approach direct to service users. This includes monitoring and evaluating progress. Move on plans/support plans are developed for stepping children down into cost effective provision if it is considered safe to do so and enabling young people to step out toward independence.

The Council has recognised that residential placements are not always the best solution because they do not often enable children and young people to reach their true potential particularly in the area of independent skills. However, It is recognised and accepted that a small number of children are best placed in residential establishments as a direct result of their individual complex needs and professional assessments will support these. By investing resources to deliver the best possible positive outcomes for the young people involved, it will reduce the number of residential placements being used, reduce the length of time that children are spent in them and ensure that a cost effective approach is used for those children who require a specialised residential setting.

Confirmed by Jacqui Davis, Edge of Care Manager; Child protection and Family Support, Children's Safeguarding & Specialist Services

147 Reduce contribution to Tier 2 CAMHS service

Telford & Wrekin Council are engaged in the development and implementation of a pan Shropshire transformation plan for children and young people with emotional health and well being needs. A new improved service is under development that will replace the current CAMHS and other LA funded emotional health and wellbeing services (CAMHS Tier 2).

Confirmed by Vivianne McKay, Service Delivery Manager, Commissioning (Vulnerable People)

Education & Corporate Parenting

149 Removal of vacant posts and changes to working patterns and rationalisation of funding available within Education & Corporate Parenting

The General Equality Duty and impact on people who share protected characteristics will be considered during the restructure of Education & Corporate Parenting, coming forward in Spring/Summer 2016. The Council's employment policies, including the restructure process, have been impact assessed by Human Resources.

Confirmed by Jim Collins, Assistant Director, Education and Corporate Parenting

150 Changes to Transport Policy

The council will continue to provide all of the home to school transport which it is legally obliged to provide. This includes;

- a) those transported on grounds of the distance between their home and their designated school,
- b) those who have been assessed as not reasonably being expected to walk to school because of associated health and safety issues relating to their special educational needs or disability, and,
- c) those who cannot reasonably be expected to walk to their nearest suitable school because the route they would use has been deemed unsafe.

There is also statutory transport provision for families that are assessed as being in a low income group (where children are entitled to free school meals or their parents are in receipt of the maximum level of Working Tax Credit).

However the council is intending to consult on the transport currently made under discretionary arrangements. This includes those transported on the grounds continuity of education where a family chooses to move house during the final year of a child's education within a primary or secondary school, those who are not of statutory school age (for example nursery pupils) and those transported on the grounds of religion or belief (where they are not in a low income group as defined above).

For all categories of transport mentioned above the authority would like to work with local communities to explore how we might be able to develop the most cost effective transport solutions.

The council will consult on the transport currently made under discretionary arrangements.

Confirmed by Kathy Swallow, Service Delivery Manager, School Organisation Services

151 Reconfiguration of Specialist Services within Children & Family Services, including a reduction in the staffing levels across the teams. By combining functions where possible to create efficiency savings

The Special Educational Needs and Disabilities (SEND) functions currently sit within locality based teams within Children's Specialist Services. There is currently a lack of joined up approach with School Improvement.

The proposed model means that the SEND team will sit within School Improvement and will work across groups of schools. This will mean that any one school would have one SEND team to work with and so a greater consistency which can only benefit the young people. The SEND team would then work closely with the locality teams to ensure that any additional support is still appropriately accessed for the families. Additionally by moving the SEND team into school improvement, they will be able to work much more closely with the school improvement team to make sure there is a continued focus on early support for young people to meet their needs.

Whilst these proposals will have a positive impact on schools, there will be limited direct impact on parents and young people, the support they will have through the EHCP process would be largely unchanged.

Confirmed by Jim Collins, Assistant Director, Education and Corporate Parenting

152 Increases in Income Targets within various services within Education & Corporate Parenting

Upon closer investigation, It is clear that whilst there is potential for a reduction of services based on school purchasing pressures, it is a market driven approach. In effect as the market adjusts the service must also adapt to meet that need. Income targets can be met in several ways such as increased business or price increases. As such the proposal has little relevance to our Equality Duty as schools will be making a judgement on the services they receive.

Confirmed by Jim Collins, Assistant Director, Education and Corporate Parenting

153 Restructure so the strategic support for Early Years within the School Improvement service to rationalise provision

The General Equality Duty and impact on people who share protected characteristics will be considered during the restructure of Education & Corporate Parenting, coming forward in Spring/Summer 2016. The Council's employment policies, including the restructure process, have been impact assessed by Human Resources.

Confirmed by Jim Collins, Assistant Director, Education and Corporate Parenting

Family, Cohesion & Commissioning Services

- 156 Savings arise from the introduction of a new operating model which reduces our capacity to deliver preventative services. The opportunity will also be taken to integrate children and adult preventative services. This saving will see a reduction in the number of and our input to children centre to a minimum. We will look for partners or communities to take on the running of some children centre services/activities**

We currently operate 12 children's centres across the borough. They provide a range of early childhood services to parents.

We are unable to continue to offer services to children and families 0-5 in the way it has done in the past. Due to financial constraints, we plan to reorganise the current children centre registered buildings and refocus the use of these buildings for local communities.

This proposal will reshape the way we deliver the children centre core purpose. Whilst we may no longer have as many registered children centres as we currently do, we will remain responsible for the delivery of services to children and families. We will do this by using other local community venues and services that are well placed to contribute to these activities such as, health services, schools and the voluntary and community sector.

The approach is similar to many other changes within the council, moving away from services delivered from specific sites to co-located delivery. This is when complementary services delivered by the council and partners can more efficiently and effectively be delivered side by side. This frees up our highly skilled staff to take up the role of enablers supporting community, voluntary and other groups to realise their own assets and ultimately become independently sustainable.

The proposed change will deliver a more flexible and nimble service focusing on the needs of the most vulnerable children and families.

In the long run the services will be better suited to the local needs but a significant change such as this will cause some difficulty for service users and prospective service users. To help develop these community led services and mitigate negative impact to young people and their families we will provide funding to support the establishment of community-led services specific to the needs of each local area building on their strengths.

Confirmed by Richard Smith, Assistant Director, Adult Social Services.

- 158 Closure of a number of youth clubs run by our part-time workers**

Impact Assessment

The Council deliver's 15 sessions of open universal youth provision using part time workers across the Borough per week.

Youth services are offered to;

- Support young people's personal and social development – which includes developing important skills and qualities needed for life, learning and work.
- Make sure all young people are able to participate and achieve in education and training.

- Raise young people's aspirations, thereby reducing teenage pregnancy, substance misuse and crime.

The council must 'determine which services and facilities need public funding and which can be secured through other means so that public funding is targeted primarily on young people at risk of poor outcomes' - Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Well-being (June 2012), Department of Education.

In order to meet this aim and ensure that the best outcomes are achieved for the most vulnerable young people, the Co-operative Youth Offer has been created.

It states that youth services will be delivered in the borough on a tiered system so that a smaller more focussed team can deliver the statutory obligations of the Council.

- Tier 1 – Open Access /Universal provision provided by voluntary and community groups supported by a worker.
- Tier 2 - Focussed work with identified groups communities or individuals including personal & social development programmes and more responsive actions to address Anti Social Behaviour and other nuisance behaviour through organised detached work. This will be provided by a support worker and volunteers.
- Tier 3 – Targeted and intensive support is required and joint working agreed with young people. This also includes young people and families known to our Family Intervention team through "Strengthening Families" work.

The Council will close council run open access youth clubs and work with the voluntary and community sector to develop open access provision for young people across the Borough (Tier 1).

The development of youth activities and youth clubs requires a high level of commitment, a good supply of willing volunteers and access to resources to deliver this effectively. Whilst a difficult task, which should not be understated, it is an achievable one that will help to protect the most vulnerable young people and families in the face of considerable reductions of budget and resources for all sections of the community.

The voluntary sector will be supported by a changed offer from the council. The council will place more emphasis on its enabling role offering professional input into the creation and ongoing development of youth clubs. It is proposed that this reconfigured support would aid the growth required in the third sector.

An example of this is the development of The Hub, Newport, a venue for the provision of activities for young people of Newport and the District. It provides a youth club, family contact area, job club, family health outreach and has space for specific projects such as Nova radio. It has become a real focus in the community for young people and their families.

As well as professional worker support, the establishment of a 'Youth Trust Fund' is to be explored. The proposed fund is a small grant pot to support the development of voluntary youth club activities. This will smooth and the planned withdrawal of council services.

We will continue to support the third sector to grow, develop and sustain youth provision in communities throughout the Borough. Priority would be given to those areas where youth and community workers currently run clubs and programmes, to ensure that the third sector can maintain youth work in those areas, this will include scoping what other services

already exist, identify any duplication of provision and produce a programme of activities that are available before the planned withdrawal.

Alternatives to a reduction in this budget have been considered but our business information shows that there would be a greater impact on vulnerable individual and our statutory obligations. The balance of open access provision to specific targeted provision is for the Council to determine based on the evidence it has available.

This policy will affect;

- Young People 10 to 19yrs that access universal provision.
- Employees

Initial work around the introduction of the Youth Offer began with the Cohesion service restructure in September 2014 effectively redesigning the staff structure to support a tiered approach.

The closure of universal provision will be delivered on an ongoing and flexible basis taking into account the ability of voluntary and third sector organisations within an area to open clubs at the same time as council run clubs are closed.

Name of person completing impact assessment and their post	Jas Bedesha - Service Delivery Manager,
Telephone	01952 382101
Date started	10 th December 2015
Other officers/Stakeholders involved	Clive Jones – Assistant Director

Impact Assessment

Positive and negative impacts have been assessed with regard to the General Equality Duty;

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

The following protected characteristics, which include deprivation, have been identified as potentially significantly impacted by this policy.

People of different ages

People with ill health or people with a disability

Impact (X)		
Positive	Negative	None
	X – young people	
		X

People of different gender		X
People who are transgender		N/A
Different racial groups		X
People with different religion or beliefs		X
People of different sexual orientation		X
Women who are pregnant or breast-feeding		N/A
People that are married or in a civil partnership		N/A
People affected by deprivation	X –high deprivation	

Potential impact

If closures of council run youth clubs were to take place without any mitigation there would be a negative impact on young people and people from areas of high deprivation who would not qualify for targeted support.

As part of developing this offer, it has become clear that a larger number of young people attend third sector/voluntary led provision than council managed provision. This greater engagement may well lead to a positive impact and represent increased social return on investment.

Mitigation

Should this proposal progress, we will be concentrating our shrinking resources on the most vulnerable young people in our communities whilst ensuring we are supporting the best possible outcomes for those accessing universal services delivered by voluntary and third sector organisations.

To support our approach;

- We have used business information about usage rates and contacts to inform our decision. Appendix A is an example of our high level information.
- We have considered usage of the sites and other provision available in the area through consultation with Town & Parish council and third sector organisations operating in these areas. This helps to determine that alternative provision is suitable and feasible.
- We will actively engage with the young people affected by these proposals.
- It will be an ongoing programme as individual proposals within areas develop and they become suitable for withdrawal not an immediate withdrawal of services.
- We will support voluntary and third sector clubs to establish themselves and enable their growth with professional worker support.
- We will explore the setting up of a small grant fund targeted to improve sustainability of voluntary clubs and identify other funding sources that support the delivery.

Whilst these are specific proposals, the Council is also engaging its communities encouraging them to take up volunteering opportunities as a route to supporting others in the community and individual well-being.

General Equality Duty

In relation to the aims of the General Equality Duty;

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

This proposal does not unlawfully discriminate against young people who share particular protected characteristics.

It seeks to maintain opportunities to access a varied youth service for those most vulnerable young people, including young people with a disability and young people from low income backgrounds, whilst recognising and attempting to mitigate against a potential for reduction to the overall universal offer to all young people aged 13-19 years.

The youth service will continue to offer opportunities for young people (and families) to meet and develop connections (foster good relations) with young people and families who share and do not share their protected characteristics.

Monitoring

Using non-commissioned services to meet a universal offer means that measuring direct impact is problematic.

- The Youth Trust Fund provides potential to measure outcomes for those who apply and receive an award.
- There are also opportunities through the support offered to voluntary and third sector organisations to help them to establishment light touch monitoring. This will support them to access alternative sources of funding by developing evidence in support of their activities and where appropriate feed information back to the Family, Cohesion and Commissioning Service.
- Closure of council run youth clubs will be done on a progressive basis to ensure that appropriate engagement with alternative support takes place and a fuller understanding of the localised qualitative impact understood. This will be supported by our approach to Locality working.

At a high level, it is possible to measure use of services at tier 2 and 3 and how this contributes to overall improvement in educational and social outcomes. This is done through our Early Help partnership that looks at preventative services and performance.

Public Health, Well Being & Public Protection

162 Reduce budget for smoking cessation services in line with current demand

The budget has been reduced in line with falling public demand, which is thought to be mainly due to the increasing popularity of e-cigarettes as a method of reducing or quitting smoking. Every smoker who wants support from Telford & Wrekin Stop Smoking Services to quit will receive that support. Health equity profiling is routinely undertaken for stop smoking services, therefore it is possible to look at any changes in uptake and success of

services by age, gender, ethnic group – taking into account any socio-economic differences in service use.

Confirmed by Helen Onions, Consultant in Public Health, Public Health

163 Further reduction in the NHS Health Check programme activity

The proposal is to offer NHS Health Check to those most at risk rather than everyone aged 40-74 years. In future the checks will be offered to those people who are most at risk and therefore most likely to benefit from having a health check. People at low risk will be offered alternatives to a check at their GP practice, such as advice at the Healthy Lifestyles Hub at Southwater One. Health equity profiling will be undertaken for NHS Health Checks, therefore it is possible to look at any changes in uptake and success of the programme by age, gender, ethnic group – taking into account any socio-economic differences in service use.

Confirmed by Helen Onions, Consultant in Public Health, Public Health

164 Further efficiencies within drugs and alcohol services

The savings will be delivered through service efficiencies delivering value for money. This includes supporting more long term drug users on their recovery journey out of treatment. It is anticipated that more clients will ultimately be seen, for shorter period of time, particularly an increase in the number of people receiving treatment for dependent alcohol use which is increasing. Work is being undertaken with our GPs to better recognise, give advice and signpost to treatment services.

Confirmed by Helen Onions, Consultant in Public Health, Public Health

165 Decommission GP STI sexual health service

Overall the budget for main sexual health services has increased substantially. There has been a reduction in the specialist service element provided in some GP practices, this service was not equitable as has only offered in certain practices. The new sexual health service, which will operate from a new Town Centre hub clinic from April 2016 will be much more accessible than the previous service, the throughput for the service will improve and more people will be seen more quickly. There will also be spoke clinics at various locations across the borough, including in GP practices.

Confirmed by Helen Onions, Consultant in Public Health, Public Health

166 Breastfeeding - Cease co-ordinator post within Shropshire Community Trust

Savings are a direct result of decommissioning the coordinator post – work will continue by strengthening the role of the health visiting service to improve breastfeeding rates following the transfer of the commissioning responsibility from NHS England to the local authority in October 2015.

Confirmed by Louise Mills, Service Delivery Manager, Health Improvement, Public Health

168 More efficient commissioning of Children 0-5 services

Savings are a direct result of efficiency savings linked to the award of new contract terms and conditions following the transfer of commissioning responsibility from NHS England to the locality authority in October 2015 and ongoing work with the current provider to explore co-location of Health Visitors within the council's locality based teams.

Confirmed by Louise Mills, Service Delivery Manager, Health Improvement, Public Health

172 No decommissioning of parenting project

This is a time limited project to test out new approaches to support parents to access local parenting programmes – the learning from the project will be incorporated to enhance the quality and improve uptake of the current programme.

Confirmed by Louise Mills, Service Delivery Manager, Health Improvement, Public Health

173 Delete a post within Public Protection supported by the Public Health grant

This proposal relates to the funding for a post that has increased capacity to deliver awareness and public safety messages. It is funded through the Public Health Grant, it is a fixed term post. As the funding is coming to an end capacity to deliver these projects will be reduced.

Confirmed by Nicky Minshall, Service Delivery Manager Public Protection, Health Well-Being and Public Protection

177 Reduction in operational and training budgets

This saving is based on a combination of;

- more efficient purchase and delivery of training to meet essential Continuing Professional Development requirements of employees
- Reduction of the contingency funds associated with Trading Standards investigations

The saving is not considered significantly relevant to equality as activity will still be carried out although reduced and to not make these operational savings would reduce frontline posts.

Confirmed by Nicky Minshall, Service Delivery Manager Public Protection, Health Well-Being and Public Protection

Adult Social Services

- 181 The current model of adult social care while demonstrating a level of savings by reducing demand and managing unit cost will not deliver the level of savings required. Over a 2016/17 and 2017/18 we will see a reduction in 5.350 million in the purchasing budget. The savings will be achieved by moving from the council providing a managed service, where we take responsibility for organising care provision to a direct payment and support planning model of service. The RaS will be re-calibrated to provide a personal budget for individuals to directly purchase and commission services. We anticipate clients will then make different decisions**

regaining transport, day care domiciliary care which will have implications for existing providers, contracts, brokerage and commissioning teams. This will maximise the amount of resources available to maintain people in community settings supported by a direct payment. Targeted actions are in place in relation to discharge to assess to ensure that we maximise efficiencies through integration and the Better Care Fund. We are also building upon the Alder Advice project to continue to work with adults with a learning disability and mental health problems in high cost residential placements, to find better outcomes at reduced cost.

The savings proposal impacts on all aspects Adult Social Services continuing the fundamental change in the way that the council delivers services to the most vulnerable in society.

Currently Adult Social Service delivers services to approx 1800 people over the age of 18. The support offered by Adult Social Services is based on the unmet social care needs of the individual. It does not include medical or accommodation costs. Services received currently range from short term rehabilitation and enablement to long term residential care.

Adult Social Services has an annual budget of £52million. This saving represents a reduction of 10%.

The changes to service made by the new model can be summarised into 3 elements;

- Demand management – the reduction of demand on a service by preventing someone reaching the point that they access the service by reducing their need from developing or directing them to other services that meet their needs.
- Cost reduction - smarter purchasing of what we need at a better price with a similar or better service. Potentially reducing capacity but at the same time better recognising and managing over capacity.
- Innovation – improving and streamlining the way services are needed, accessed and delivered.

As a council we can influence these elements but to achieve the best outcomes for our residents we are reliant on working effectively with our partners, organisations in the community and individuals who receive our services including their carers. To recognise and achieve this Council has been under-going a significant change in culture and attitude (innovation).

This has led to the development of Right Help, Right Time to Promote Independence Adult Social Services Commitment Statement.

This document outlines our approach to support people and integrates our commitment to equality, diversity and human rights.

Specifically there is a commitment to conducting equality analysis on all our policy areas.

All policies currently have an analysis associated with their decision making. However the number and range of policies is extensive and the information is not available in an easy publicly accessible way. We are currently preparing information to enable us to demonstrate this commitment on an ongoing basis.

Equalities officer to continue working with Service Delivery Manager: Service Improvement and Efficiency to deliver a visible equality assessed policy framework.

All specific elements of this proposal will be assessed with regard to the General Equality Duty within this framework.

Confirmed by Richard Smith, Assistant Director, Adult Social Services.

- 182 As we move to locality working we will see efficiencies in reducing duplication in work between council employees. The work force remodelling will require a reduction of assessment staff, the remaining workforce will be set individual targets and performance managed. A benchmark of a minimum of one assessment/review per day. Mobile working and home working will be the norm. The new workforce will see the introduction of support planners and peer brokers**

A pilot of the new Target Operating Model has been carried out in South Telford and provided not only savings but increased Staff and customer satisfaction. Focussed on early help and support within the locality community it has had significant success.

The Adult Social Service staffing structure has been restructured to support delivery of this model and a full roll out across the borough is now taking place.

Governance arrangements are in place to monitor effective delivery.

Confirmed by Richard Smith, Assistant Director, Adult Social Services.

- 183 Both T&W Clinical Commissioning Group and the Council are committed to increasing the level of support funded by Continuing Health Care (CHC). An increase of £1m is a reasonable assumption given bench marking data**

Discussions are ongoing with Telford and Wrekin Clinical Commissioning Group. The impact of the policy would be beneficial to people requiring support with long term health conditions.

Confirmed by Richard Smith, Assistant Director, Adult Social Services.

- 184 The local authority spend on adults with a learning disability is high compared to both regional and national comparators. Working with T&W Clinical Commissioning group (CCG) it is possible not only to reduce funding but also improve outcomes for people. This will be achieved by working more efficiently with health partners and adopting a support planning approach**

Along with Telford and Wrekin Clinical Commissioning Group, we are currently working with government departments to establish a fairer funding level for Telford in respect of Adult Learning Disability. If successful this saving will be achieved

If this renegotiation is not successful we may be able to use anticipated additional funding as part of the governments initiative Building the Right Support. This is a national plan to develop community services for clients with learning disability. It has the potential to make the required savings and deliver better outcomes.

In parallel to the programme above, we are also refreshing our current strategy for adult learning disability. It is anticipated that savings will arise from this review, arising from the more effective delivery of services and by promoting greater independence. A new strategy will be co-produced with service users and be subject to a comprehensive period of consultation

Further consultation required to deliver co-produced strategy with service users.

Confirmed by Clive Jones, Director of Children's and Adult Services

- 185 There are a wide range of service models in place in Telford to support people in long term accommodation, each with a different contractual arrangement in place. By introducing a personal budget for individual people accessing services such as extra care and supported housing it will be possible to make savings and also provide greater choice and control for individuals similar, to that of people living in their own accommodation**

This is the implementation of an agreed approach from the 2015/16 Budget.

The remaining Supporting People services that have not been remodelled and retendered during 2015 will now be reviewed as part of the Long Term Supported Accommodation (LTSA) project.

The LTSA project will incorporate Older Sheltered Housing, a Physical Disability Service, a number of ALD services and possibly Extracare.

The LTSA project will work towards categorising types of service received by individuals and procuring in a more joined up holistic way across Telford & Wrekin Council as opposed to purchasing a service attached to a building. The project will also support a move towards delivering a more personalised flexible service.

Confirmed by Vivianne McKay, Service Delivery Manager, Commissioning (Vulnerable People)

- Transport Age UK - transport to Age UK Day Centres - Moving to full cost recovery basis**

This proposal has been put on hold and removed from the list of savings pending a review to assess the scope for efficiencies/a different operating model rather than increasing charges to users.

This proposal will ask the people who currently use Council paid for transport to Age UK day centres to decide how they are transported and to pay the full cost.

At the moment, we transport people from their homes to Age UK Day Centres. We do this in partnership with Age UK who provide the vehicles and the Council maintains and staffs them. Conversations are underway with Age UK regarding futures alternative models of transport.

As part of the proposal, we will no longer be able to maintain and staff the vehicles.

To help avoid causing a significant negative impact we will work with Age UK to see if we can find and train volunteers to provide this service. We will also be investigating whether we can ask people to pay more for their transport.

Other existing transport providers will be offered as an alternative i.e. Dial A Ride and Social Shopper.

Confirmed by Vivianne McKay, Service Delivery Manager, Commissioning (Vulnerable People)

186 Review of Voluntary Sector Agreements (SLAs)

This is the implementation of an agreed approach from the 2015/16 Budget.

During 2015, commissioned services have been reviewed and impact analysis carried out and small savings were made that would not impact service provision approx £50,000.

- March 2015 - CCG also carried out reductions in grant funding March 2015 which had to be considered to stabilise the market and community provision.
- July 2015 - Community Capacity Building - It was found that services are facilitating community capacity building and promoting wellbeing & prevention e.g. peer group support, befriending, living well in the community sector.
- October 2015 - Care Act 2014- Information, Advice & Advocacy - 'My Choice' was commissioned as a single point of access for carers with particular reference to older people, those with dementia, learning disabilities, stroke, sensory impairment.

The award went to the Citizens Advice Bureau who are leading the community sector consortium and working in partnership with Age UK, Taking Part, SIAS, Alzheimer's Society.

Confirmed by Vivianne McKay, Service Delivery Manager, Commissioning (Vulnerable People)

iii) Summary of resolved proposals from previous Service and Financial Planning report

Investigations into each proposal have either resolved the initial query clarifying their relevance, or lack of relevance. Where appropriate, suitable actions have been carried out during the financial year 2015/16.

Ref No.	Service	Description of Saving	Action Required	Status Update
15/16 19	Neighbourhood & Leisure Services	Increase target for public transport service review beyond 50k already agreed in previous savings targets.	Linked to 14/15 Proposal 185 Action - Equalities officer to work with Group Manager – Transport, Strategy & Road Safety to develop detailed impact analysis on each change as they are developed.	Resolved There has been significant consultation in relation to the Bus Subsidy Policy and redistribution of subsidy based on community need. A report will come forward before the end of the financial year detailing outcomes. Impact analysis will be integrated into any future changes.
15/16 40	Education and Corporate Parenting	Schools to pay directly for their own swimming provision from September 2015 rather than via joint use contributions, which are currently partly funded by the LA.	The rationalisation of school swimming costs will need to be debated with Schools forum and the funding formula amended to put the money into school funds. Due to the timing of the Schools Budget setting exercise this will not now take effect until 2016. It is proposed that a steering group involving schools, LA officers and the ASA be set up to manage how this change in funding can be incorporated. Action - Equality principles to be integrated into project plan and delivery.	Resolved Partially delivered proposal. Confirmed by Jim Collins, Assistant Director, Education and Corporate Parenting

Ref No.	Service	Description of Saving	Action Required	Status Update
15/16 59	Adult Social Services	Voluntary Sector contract review.	Detailed impact analysis required. Identified by Service. Action- Equalities Officer to link with Service Delivery Manager: Commissioning (Children & Families and Transport).	Resolved Statement received detailed in Section iv).
15/16 60	Adult Social Services	Separation of support planning from Assessment & Case Management.	Detailed impact analysis required. Identified by Service. Equality principles to be integrated to proposal delivery.	Resolved The prototype was used to re-design and restructure Adult Social Services. A new target operating model is based on locality working and includes the separation of assessment and support planning. • Initial Impact Assessment completed attached Section iv) • Evaluation report is coming forward with recommendations for improved access and fairer use of resources based on more fully integrated practice.
15/16 61	Adult Social Services	Improved procurement of Supporting People Services.	Detailed impact analysis required. Identified by Service. Action- Equalities Officer to link with Service Delivery Manager: Commissioning (Children & Families and Transport).	Resolved Statement received detailed in Section iv).

Ref No.	Service	Description of Saving	Action Required	Status Update
14/15 234	Safeguarding	Partnership approach to delivery of EDT (20%).	Assistant Director: Children's Safeguarding to be updated in July 2015.	Resolved Assistant Director: Children's Safeguarding updated in March, as requested, in relation to current equality practice. Proposal not implemented.
14/15 178	Care & Support	Reduction to the cost of packages where Homecare is being supported financially and the cost is above the average residential weekly cost.	Resource Allocation System Impact Analysis is awaiting confirmation.	Resolved This proposal will be addressed within the action for Savings Proposal 188 (2016/17) Individual needs assessment and duty related to unmet social care need. Personalised budget management and sign-posting services provide a choice alternative. Resource Allocation System Impact Analysis to be agreed.

iv) Previous Service and Financial Planning equality considerations - detailed responses

This section contains relevant detailed information about the resolutions identified in section iii) including statements and impact analysis.

Saving Proposal 59 (15/16) - Voluntary Sector contract review

During 2015, commissioned services have been reviewed and impact analysis carried out and small savings were made that would not impact service provision approx £50,000.

- March 2015 - CCG also carried out reductions in grant funding March 2015 which had to be considered to stabilise the market and community provision.
- July 2015 - Community Capacity Building - It was found that services are facilitating community capacity building and promoting wellbeing & prevention e.g. peer group support, befriending, living well in the community sector.

Any further reductions in this service area could impact negatively on the community. Family, Cohesion & Commissioning is leading this discussion with Adult Social Care & Public Health & the CCG.

- October 2015 - Care Act 2014- Information, Advice & Advocacy -'My Choice' was commissioned as a single point of access for carers with particular reference to older people, those with dementia, learning disabilities, stroke, sensory impairment.

The award went to the Citizens Advice Bureau who are leading the community sector consortium and working in partnership with Age UK, Taking Part, SIAS, Alzheimer's Society.

Confirmed by Laura Thorogood - Team Leader, Vulnerable People Commissioning Team

Savings Proposal 61 (15/16) - Improved procurement of Supporting People Services

Short Term Supported Accommodation services were remodelled and tendered. Tendered service commenced 1st October 2015, resulted in an increased availability of accommodation, more efficiently delivered support hours and savings of £215k pa.

The remaining Supporting People services that have not been remodelled and retendered will now be reviewed as part of the Long Term Supported Accommodation (LTSA) project.

The LTSA project will incorporate Older Sheltered Housing, a Physical Disability Service, a number of ALD services and possibly Extracare.

The LTSA project will work towards categorising types of service received by individuals and procuring in a more joined up holistic way across Telford & Wrekin Council as opposed to purchasing a service attached to a building. The project will also support a move towards delivering a more personalised flexible service.

Confirmed by Joanne Cornwell - Commissioning Specialist, Vulnerable People Commissioning Team

Savings Proposal 60 (15/16) - Separation of support planning from Assessment & Case Management

Adult Social Services Locality Working Prototype, incorporating My Support Broker and Team around the GP model

Impact analysis

Purpose and function

This model will enable Adult Social Services to continue to work in a person centred approach but also build upon individual strengths (assets) and community support available to people.

In order to test the 'market' and to inform Adult Social Services target operating model and restructure the Team around the GP project will be building a multi-disciplinary team of professionals.

This team will be based at Stirchley Medical Practice, which serves the South of Telford. The rationale for this location is that it is a self-contained area with proactive GP members and has well established community involvement organisations.

This project will also include My Support Broker service (MSB). This will enable the assessment team to have time to develop systems and process working alongside communities and individuals to reduce the need for acute services. MSB has been commissioned for six months to provide independent support brokerage services.

Scope

- The prototype model will be managed by the SDM for Service Improvement and Efficiency.(Clare Hall-Salter)
- The team will be integrated into other health and community groups in the geographical area
- The team will work with new and existing customers alongside partners to prevent and delay people entering the health and social care systems
- The team will provide access to low-level preventative support and services.
- The Professional team will include: social worker, social care officer, assistive technology resource, information and advice resource, rapid access to enablement services and other professional that are appropriate
- The My Support Broker will form part of the Team around the GP and will be co-ordinated by the project manager (Deb Derham)
- To test a model of support planning and brokerage that is person centred, creative and cost effective
- To develop effective, creative and personalised support planning to meet the aspirations and goals of customers and train internal staff
- Using an asset based approach to support planning and promote choice and control
- To develop the provider market in particular to micro markets and social enterprises and the voluntary and community sector
- To up skill workforce and reduce spend on high cost packages of care

Who does this affect			
Workforce / Employees	•	Service Delivery / Communities	•

Author(s)
Renu Purvis - Team Leader Projects & Policies, Service Improvement & Efficiency, Adult Social Services
Date completed:
16th February 2015
Sign off (line manager) and date
Clare Hall-Salter - Service Delivery Manager, Service Improvement & Efficiency, Date: 05-03-15

The general equality duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

Complete the table below, assessing the impact of your policy on people with protected characteristics, including employees and customers. You should also consider the elements of the above general duty.

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High	Low	No	
Age	•				•	All clients referred to the service will be Adults from age 18 plus
Disability	•				•	All clients referred will not be refused due to disability
Gender (Sex)	•				•	There is no negative impacts.
Gender reassignment		•				N/A
Marriage/civil partnership		•				N/A
Pregnancy/maternity		•				N/A
Race	•				•	There is no negative impacts.

Religion/belief	•				•	There is no negative impacts.
Sexual Orientation	•				•	There is no negative impacts.
Deprivation (inc rural/urban)	•				•	There is no negative impacts.

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for or affects significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

Am I required to carry out a Community Impact Assessment?

If you have ticked negative impact as High, then a Community Impact Assessment will need to be completed, available on the intranet.

If a Community Impact is not required, you are required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts. Please provide details of how you will monitor evaluate or review your proposals and when the review will take place in the box below.

Monitor and review

How will you monitor/review proposals?

This is a six-month project to test out the Locality Working principles and the separation of assessment and support planning. The review and monitoring will be retrieve from performance data on both CareFirst and the MSB platform through reporting tools to measure the outcomes including:

- Reduced dependency on existing services such as domiciliary and residential and nursing care
- Integration with health colleagues when and where it makes sense
- Greater use of preventative services
- Improved customer satisfaction across a diverse client base
- Development of local information and advice services
- Cost analysis

When will the review take place?

The project will be reviewed at the end of the six-month period. Performance will be reviewed monthly.

During the project data will also be used to ensure that we meet the targets of the project by:

- Receiving at least 10 referrals per week, this may be new referrals or reviews of current clients in receipt of services.

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No. Savings Type		Description of Saving	2016/17 £	2017/18 £	Total Ongoing Saving £	Lead Officer	Economic Impact	Environmental Impact
Neighbourhood & Customer Services								
1	Staffing	Reduce structure in Highways Team	262,000		262,000	Angie Astley	A worsening road safety record may impact on the flow of traffic around the Borough	
2	Staffing	Further reduction in ICT structure	30,000	45,000	75,000	Angie Astley	None	None
3	Staffing	Reduced structure in Neighbourhood services following a move to locality working and building on robust contract management arrangements already in place and a revised approach to business and admin support	120,000	420,000	540,000	Angie Astley	None	Potential impact on quality of public realm.
4	Staffing	Reduction in structure in recently merged benefits and customer service function including a saving of a service delivery manager salary	208,000		208,000	Angie Astley	None	None
5	Staffing	Reduction in management posts following a move to one contact centre.		50,000	50,000	Angie Astley	None	None
6	Income	Increased revenue from weddings and burials as a result of a price increase following benchmarking	37,500	25,000	62,500	Lee Higgins	None	None
7	Income	Additional income from new highways Permit Scheme for utility companies working on our highways following successful invest to save bid.		70,000	70,000	Keith Harris	Increased cost/overheads to businesses	
8	Service Review/Redesign	Reduce Concessionary Fares budget in line with passenger numbers which have dropped significantly over the last 3 years so no impact on service	60,000	130,000	190,000	Keith Harris	None	None
9	Non-staff	Reduce consultancy budgets in Highways	50,000		50,000	Keith Harris	None	None
10	Non-staff	Reduce Bus Shelter R&M budget	20,000	17,000	37,000	Keith Harris	None	None
11	Income	Increase in Ironbridge Seasonal Permits to £115 pa for Businesses	3,500		3,500	Keith Harris	Increased cost/overheads to businesses	None
12	Income	Income from implementation of new transport model = charge to developers to access information and expertise.	5,000	5,000	10,000	Keith Harris	Increased cost/overheads to businesses	None
13	Income	Increase income by ensuring highways professionals and the Geotechnics team win business from Property and BIT Teams which is currently being spent with private sector as well as attracting other councils as external customers	30,000	40,000	70,000	Keith Harris	None	None
14	Service Review/Redesign	Net reduction in contract costs by moving Stoneyhill monitoring in-house (currently contracted to Biogas).	5,000		5,000	Keith Harris	None	None
15	Income	S38/S278 - increase in one or more of the banded fee percentages for S38/S278 works based on past 12 months development activity.		50,000	50,000	Keith Harris	Increased cost/overheads to businesses	None
16	Income	PROW - Public Rights of Way Legal Orders - Legal Order fee taken up front rather than upon completion of a successful Order	15,000		15,000	Keith Harris	None	None
17	Income	introduce a revised charging model for Bulk collections		30,000	30,000	Debbie Germany	None	May result in increased fly tipping to the detriment of the environment.

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No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
18	Service Review/Redesign	Reduce subsidy on recycling credits		16,000	16,000	Debbie Germany	None	None
19	Staffing	Alternative 24/7 provision and urgent response within Neighbourhoods.		10,000	10,000	Dave Hanley	None	None
20	Service Review/Redesign	Grounds Maintenance rationalisation - remove Chemical use for tackling weeds and reduce grass cutting on large amenity open spaces not directly adjacent to households	80,000		80,000	Dave Hanley	None	May increase bio-diversity - but detrimental to appearance of neighbourhoods
21	Service Review/Redesign	Reduce litter picking frequency from monthly to one every 3 months but protecting TIAs.	15,000	75,000	90,000	Dave Hanley	None	Detrimental to appearance of neighbourhoods
22	Service Review/Redesign	Stop annual flower schemes including wild flowers, and approach Parishes to contribute to them going forward.		20,000	20,000	Dave Hanley	None	Detrimental to appearance of neighbourhoods/ biodiversity
23	Service Review/Redesign	Decommission play areas - reduce maintenance of the sites 24 Pageant Drive, Acqueduct , 120 Acqueduct Drive, Doddington Hollinswood, Dudmaston, Hollinswood, Brands Farm Way, Dodmoore Grange, Boulton Grange, Cornbrook, Stirchley, Beckberry Drive, Berberis Road, Leegomery ball court, Smallwood, Sutton Hill 102 or 27 not both, Wrekin Avenue and Gravelly Drive. (ANNUAL AVERAGE COST OF UPKEEP £2K EACH AREA)		28,000	28,000	Dave Hanley	None	None
24	Service Review/Redesign	Reduction of Sweeping frequency to 1.5 times a year and rationalise Zone 1 cleansing boundaries		40,000	40,000	Dave Hanley	None	Detrimental to appearance of neighbourhoods
25	Service Review/Redesign	Efficiency savings in Environmental Services	30,000	25,000	55,000	Dave Hanley	None	None
26	Service Review/Redesign	Reactive maintenance - reduce the amount of resource committed to this		110,000	110,000	Dave Hanley	None	None
27	Service Review/Redesign	Lighting energy from invest to save - move to LED' lighting across the borough and look to dim lights during the evening		100,000	100,000	Dave Hanley	None	Reduce energy use and light pollution
28	Income	Developer section184 - change charge out rates and/or develop sliding scale options based upon size of development.		30,000	30,000	Dave Hanley	Increased cost/overheads to businesses	None
29	Income	Internal Consultants. In house Fee earning for major schemes, LEP, drainage, flood risk assessments etc.. other developments.		80,000	80,000	Dave Hanley	None	None
30	Non-staff	TWS review of pension costs to TWS for TUPE staff.	20,000		20,000	Dave Hanley	None	None
31	Income	Insurance claim income from Traffic Accidents and damage to T&W assets.	20,000		20,000	Dave Hanley	None	None
32	Non-staff	Library Service - Reduce the book fund by 50%	86,410		86,410	Lee Higgins	None	None
33	Service Review/Redesign	Cease Mobile Library Service		40,560	40,560	Lee Higgins	None	Reduced energy use/CO2 emissions from Council operations
34	Service Review/Redesign	Close Madeley Library		117,220	117,220	Lee Higgins	None	None
35	Service Review/Redesign	Close Stirchley Library		15,870	15,870	Lee Higgins	None	None
36	Service Review/Redesign	Close Donnington Library		13,530	13,530	Lee Higgins	None	None

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No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
37	Service Review/Redesign	Close Dawley Library		13,080	13,080	Lee Higgins	None	None
38	Service Review/Redesign	Reduce Opening Hours of Newport Library by 1.5 days per week and retain as a first point service with a self service only community library		56,530	56,530	Lee Higgins	None	None
39	Staffing	Close Hadley Library		10,930	10,930	Lee Higgins	None	None
40	Staffing	Oakengates Library - theatre staff to take on full ownership following implementation of self service kiosks.		9,090	9,090	Lee Higgins	None	None
41	Staffing	Reduction in development team and support costs for Libraries which will be achieved as long as their is support for the Library closures outlined		120,000	120,000	Lee Higgins	None	None
42	Non-staff	remove use of the Respond complaints database and migrate to CRM in support of channel shift plans		3,700	3,700	Lee Higgins	None	None
43	Income	Work in partnership with Maninplace, YMCA and Telford Christian Council (charitable landlords) to assist them to gain Registered Social Landlord status - this will increase the level of Housing Benefit Subsidy received by the council to fund housing benefit for their tenants	127,500	62,500	190,000	Lee Higgins	None	None
44	Funding	Continue Council Tax Support reviews of individual customers to identify any unreported changes of circumstances which may mean we are paying more Council Tax Support than the customer is entitled to	500,000		500,000	Lee Higgins	None	None
45	Funding	Implement the new Council Tax Support scheme for 2016/17 subject to consultation and introduce a 25% reduction from 17/18 onwards	220,000	235,000	455,000	Lee Higgins	None	None
46	Funding	Continue with our £2million business rates project - looking for businesses liable for business rates but not on the rating list	113,680		113,680	Sophie Lane	None	None
47	Funding	Additional Business Rates growth through our business winning strategy	250,000		250,000	Sophie Lane	None	None
48	Non-staff	New contract for Docs on line our document imaging service has already been negotiated and will deliver savings identified	36,000		36,000	Sophie Lane	None	None
49	Funding	Undertake an annual review of Single Persons Discount to ensure we are not awarding discount that the customer is no longer eligible to receive	30,000		30,000	Sophie Lane	None	None
50	Non-staff	End contract with Experian and G Force and benefit from additional postage discounts following lease of a new franking machine	15,000		15,000	Sophie Lane	None	None
51	Income	Implement a new discretionary procedure to Charge interest on overdue payments for sales ledger invoices for certain customers	5,000		5,000	Sophie Lane	None	None
52	Non-staff	The move to employee two enforcement agents has allowed a reduction in current costs.	20,000		20,000	Sophie Lane	None	None

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No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
53	Income	Invest to save on member of staff in the Revenues Recovery team with a focus on increase collection rates - benefit overpayments & business rates	70,000		70,000	Sophie Lane	None	None
54	Non-staff	Building Savings from buildings no longer in use (Carwood Residential home). This saving crosses over Neighbourhood & Customer Services and Development, Business & Employment.	45,950		45,950	Deb Williams	None	Reduction in energy use
55	Income	Looking to generate new income from external customer base accessing the new My Options In house adult provider care Service	250,000	150,000	400,000	Deb Williams	None	None
56	Non-staff	Renegotiate lease cost of the photocopiers, and reduce numbers across addenbrooke, Darby, Wellington council offices, including removing the ability to make colour copies	79,120		79,120	Kirsty King	None	None
57	Non-staff	Reduce the ICT training budget	15,000		15,000	Kirsty King	None	None
58	Non-staff	Withdraw members broadband lines	36,000		36,000	Kirsty King	None	None
59	Service Review/Redesign	Review Mobile Phone Contract		10,000	10,000	Kirsty King	None	None
60	Property Rationalisation	Bring forward the agreement already contracted for to Rationalisation of current CRC's and develop a new state of the art CRC open 7 days per week at Hortonwood after which the closure of Ketley and notice given to end the contract at Granville CRC.		140,000	140,000		None	Risk of increased fly-tipping as a result of withdraw of local facilities.
Total Neighbourhood & Customer Services			2,910,660	2,414,010	5,324,670			
Leisure, Culture & Facilities Services								
61	Income	Commercial Catering profit growth	20,000	20,000	40,000	Kate Sumner	None	None
62	Income	Commercial Catering Training income growth	5,000	5,000	10,000	Kate Sumner	None	None
63	Income	Review Secondary Schools Catering		115,000	115,000	Kate Sumner	None	None
64	Income	Growth in take up of Universal Free School meals	40,000	40,000	80,000	Kate Sumner	None	None
65	Staffing	Review FM team to improve efficiency	55,000	6,000	61,000	Mal Yale	None	None
66	Non-Staff	Review of FM expenditure budgets	40,000		40,000	Mal Yale	None	None
67	Staffing	Reduction in Caretaking Hours	6,000		6,000	Mal Yale	None	None
68	Income	Security Contract recharges	16,000	16,000	32,000	Mal Yale	None	None
69	Service Review/Redesign	Amalgamation of BIT and FM Teams staff rationalisation - additional income from growth and new business including Nu Place, Home Fix and BIT Services (Help@Hand to merge with C&E services)	30,000		30,000	Stuart Davidson/Katherine Kynaston	None	None
	Income			42,000	42,000			

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No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
70	Income	Review Energy Management Services		15,000	15,000	Mal Yale	None	Possible impact - reduced monitoring of energy efficiency may lead to inefficiency.
71	Service Review/Redesign	Stop providing Borough Markets	0	20,000	20,000	Mal Yale	None	None
72	Service Review/Redesign	Reduce cleaning specification across non frontline services	55,000		55,000	Mal Yale	None	None
73	Staffing	Reduce the number of Music Development Officer Hours	10,000	0	10,000	Psyche Hudson	None	None
74	Service Review/Redesign	Review Theatre daytime staffing levels. Relocation of some office staff providing opportunity for some external rental income.	41,000	5,000	46,000	Psyche Hudson	None	None
75	Income	New Technical Support Service	2,000	8,000	10,000	Psyche Hudson	None	None
76	Non-Staff	Revised diary and stocktaking process	3,500		3,500	Psyche Hudson	None	None
77	Service Review/Redesign	Change remit of Cultural SDM to encompass wider 5 ways responsibility, focus on culture, Physical Activity and Health and seek alternative funding streams.	0	55,000	55,000	Stuart Davidson	None	None
78	Staffing	Parks & Open Spaces Restructure	30,000	30,000	60,000	Psyche Hudson	None	Potential impact on environmental management. Impact on quality of environment in parks
79	Non-Staff	Review Town Park Maintenance budget		10,000	10,000	Psyche Hudson	None	Potential impact on environmental management. Impact on quality of environment in parks
80	Service Review/Redesign	Review Hhay Golf offer to increase income through use of Academy holes.		20,000	20,000	Mark Moore	None	
81	Service Review/Redesign	Review operating model for Phoenix Sports Centre and close gym during the school day.	30,000	35,000	65,000	Stuart Davidson	None	None
82	Income	Income from new training service	12,500	12,500	25,000	Mark Moore	None	None
83	Service Review/Redesign	Combined and extended Outdoor Education offer	10,000	10,000	20,000	Stuart Davidson	None	None
84	Non-Staff	Reduction in playing pitch maintenance costs	5,000	5,000	10,000	Rachel Threadgold	None	None
85	Income	Additional Tennis Centre profit		5,000	5,000	Mark Moore	None	None
86	Income	Increase Health & Fitness provision at Wellington Civic & Leisure Centre through an Invest to Save initiative utilising some of the space currently occupied by the Library to provide additional Health & Fitness capacity.	15,000	60,000	75,000	Mark Moore	None	None
87	Staffing	Reduction in daytime reception provision at some Leisure Centres (Joint Use Sites)	15,000		15,000	Mark Moore	None	None
88	Staffing	Leisure Services Management Restructure -Reduced Operational Management structure and loss of dedicated Sports Development function.	60,000	120,000	180,000	Stuart Davidson	None	None
89	Service Review/Redesign	Seek to negotiate reduction in Hadley PFI contract in respect of community access to leisure facilities.		20,000	20,000	Stuart Davidson	None	None
90	Income	Review existing usage of Southwater 1 building to seek additional income generating opportunities.	0	75,000	75,000	Mark Moore	None	None
Total Savings Leisure, Culture & Facilities Management			501,000	749,500	1,250,500			

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APPENDIX 4.

No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
Law, Democracy & People Services								
91	Service Review/Redesign	Changes to People Services Structure	154,000	70,000	224,000	Jonathan Eatough	None	None
92	Income	Extra income from People Services team	10,000	10,000	20,000	John Harris	None	None
93	Non-staff	Reduction of training budget	10,000	0	10,000	John Harris	None	None
94	Service Review/Redesign	Savings from further review of service	45,000	0	45,000	Matt Cumberbatch	None	None
95	Staffing	Delivery of amended terms and conditions	250,000	250,000	500,000	Jonathan Eatough	None	None
96	Staffing	Under use of single status implementation budget	0	100,000	100,000	Jonathan Eatough	None	None
97	Service Review/Redesign	Procurement services review	46,000	0	46,000	Sarah Bass	None	None
98	Non-staff	Pension contribution savings (Members)	38,000	0	38,000	Phil Griffiths	None	None
Total Savings Law, Democracy & People Services			553,000	430,000	983,000			
Cooperative Council & Commercial Delivery Team								
99	Staffing	SMT Restructure - reduction in posts	343,000		343,000	Richard Partington	None	None
100	Staffing	Rationalisation of posts within Delivery & Planning, Community Participation and Corporate Communications	120,970		120,970	Rachael Jones, Jon Power, Nigel Newman	None	None
101	Service Review/Redesign	Review of management of Council Community Centres - not currently possible to quantify amount of saving until review carried out			TBC	Rachael Jones	None	None
102	Non-staff	Operational budget	5,000		5,000	Jon Power	None	None
103	Non-staff	Reconfiguration of Your Voice	10,000		10,000	Nigel Newman	None	None
104	Income	Delivering external training	2,500		2,500	Fliss Mercer	None	None
105	Income	Tourism-related commercial project/development		40,000	40,000	Fliss Mercer	None	None
106	Income	Other commercial projects		TBC	TBC	Fliss Mercer	None	None
107	Income	Commercial Service to Schools	10,000		10,000	Nigel Newman	None	None
108	Income	Sponsorship service for external organisations		10,000	10,000	Nigel Newman	None	None
109	Non-staff	Review of corporate grants to voluntary sector. We will no longer provide annual grants of £49,490 to Fairshare and £12,690 to A4U				Rachael Jones	None	None
Total Savings Cooperative Council & Commercial Delivery Team			491,470	50,000	541,470			
Finance, Audit & Information Governance								
110	Staffing	Finance - targeted restructure activity and some reduction in operational costs e.g. re-tendered banking contract. treasury advisors etc	169,750		169,750	Ken Clarke	None	None

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No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
111	Staffing	Fundamental Service Review which will involve very significant restructuring across the service area, significant reductions in service levels and increased financial risks. Care must be taken to ensure that appropriate strategic financial control is maintained and external audit costs do not increase to offset the savings. Undertaking this review during 2017/18 will enable financial support to be provided during 2016/17 which will be a year of considerable organisational change and financial challenges. Will aim to deliver full year savings in excess of £200,000 to help deliver the further savings that will be required for 2018/19.		200,000	200,000	Ken Clarke	None	None
112	Income	Finance - Additional income from provision of services to Nuplace	20,000		20,000	Julia Copus	None	None
113	Income	Employment Services & Purchase Ledger - additional income and review of operational budgets	10,000		10,000	Julie Pugh	None	None
114	Non-Staff	Reduction in External Audit Fee	20,000		20,000	Ken Clarke	None	None
115	Non-Staff	Rescheduling of debt repayments. After considerable technical analysis, research and joint work with other authorities and discussion with our external auditors it is considered prudent in the current exceptionally challenging circumstances facing the authority to undertake further work to reschedule debt repayments. This could yield very significant revenue benefits in 2015/16, 2016/17 and 2017/18 although the benefit would then reduce before ultimately becoming an additional cost. The saving generated would ideally be used to fund ongoing savings which would meet the additional costs to be faced in future decades - for example by funding redundancy costs or invest to save proposals. In addition to the savings of £3.664m in 2016/17 and £3.412m in 2017/18 a one-off benefit of £3.235m could be generated in the current year based on initial calculations.	3,664,000	(252,000)	3,412,000	Ken Clarke	None	None
116	Non-Staff	Rescheduling of PFI MRP - similar to above but delivers over £12m back dated benefit and ongoing revenue savings for 15+ years before eventually becoming an additional cost. Backdated benefit must be released to revenue account by making nil MRP payment until it has been recovered along with further in-year contributions rather than generating a one-off revenue balance.	2,032,000	(106,000)	1,926,000	Ken Clarke		
117	Non-Staff	Use of One off Resources	30,000	(30,000)	0	Ken Clarke	None	None
Total Savings Finance, Audit & Information Governance			5,945,750	(188,000)	5,757,750			
Development, Business & Employment								

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
118	Income	Increase income from delivering National Career Service contract	30,000		30,000	Sue Marston	None	None
119	Non-Staff	Reduction in provision of 16+ Transport Assistance		25,000	25,000	Sue Marston	None	Potential increase in private car use/ increased traffic/energy use
120	Income	Additional income to offset salaries for management of new ESF contract for NEETS	33,000		33,000	Sue Marston	None	None
121	Service Review/Redesign	Introduction of Local Development Order for householder planning applications extending permitted development rights enabling reduction in staff and non staff costs	68,000		68,000	Dave Fletcher	None	None
122	Service Review/Redesign	Service redesign of building control	53,000		53,000	Dave Fletcher	None	None
123	Service Review/Redesign	Service redesign of Development Management Service to establish Development Team providing a development application service including revised, chargeable pre application advice service, fast discharge of conditions	30,000	60,000	90,000	Dave Fletcher	Although a cost to developers, will speed decision making to the benefit of applicants	None
124	Service Review/Redesign	Saving from biT restructure	100,000		100,000	Chris Goulson	None	None
125	Service Review/Redesign	Building Innovation Telford (biT) and Facilities Management (FM) service efficiencies	35,000		35,000	KK/SD	None	None
126	Non-Staff	Saving on cleaning budgets in operational buildings	55,000		55,000	Chris Goulson	None	None
127	Income	Increase revenue return from rental of Phase 1 Nuplace sites	20,000		20,000	Toni Guest	None	None
128	Income	Increased income to authority from delivery of additional 100 units by Nuplace		35,000	35,000	James Dunn	None	None
129	Staffing	Removal of vacant posts in Planning Policy Team	40,000		40,000	Toni Guest	None	None
130	Service Review/Redesign	Service redesign of Planning Policy Team		102,000	102,000	Toni Guest	None	None
131	Income	Income generation from Homefinder	10,000	20,000	30,000	Toni Guest	None	None
132	Income	Income from funding bid writing for small businesses through Growth Hub	7,000	10,000	17,000	Kathy Mulholland	Potential benefit through supporting businesses to grow	None
133	Income	Removal of Vacant posts and fixed term contractual arrangements	40,000	(40,000)	0	Kathy Mulholland	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
134	Service Review/Redesign	Service redesign of Inward Investment & Business Support Teams in light of establishment of Growth Hub		100,000	100,000	Kathy Mulholland	None	None
135	Income	ERDF income (salary offset)	60,000	40,000	100,000	Kathy Mulholland	None	None
136	Non-Staff	Reduction in Inward Investment & Business Support core budgets	5,000	5,000	10,000	Kathy Mulholland	None	None
137	Income	Extending Property Investment Portfolio (PIP) Investment	100,000	200,000	300,000	James Dunn	Potential benefit by supporting growth of existing and new businesses	None
138	Funding	NDR Growth	250,000		250,000	James Dunn	None	None
139	Property Rationalisation	Saving on running costs related to Phoenix Leisure Centre	30,000	34,500	64,500	Chris Goulson	None	None
140	Property Rationalisation	Saving on running costs of Strickland House		31,330	31,330	Chris Goulson	None	Potential positive impact on reducing Council's energy use.
141	Property Rationalisation	Savings in property maintenance through relocation Leegomery Youth wing to adjacent community centre		8,790	8,790	Chris Goulson	None	Potential positive impact on reducing Council's energy use.
142	Property Rationalisation	Savings in property maintenance from closure or transfer management responsibility of Watling St Community Centre		19,730	19,730	Chris Goulson	None	Potential positive impact on reducing Council's energy use.
Total Savings Development, Business & Employment			966,000	651,350	1,617,350			
Children's Safeguarding & Specialist Services								
143	Non-Staff	Review of Fostering Offer	150,000	500,000	650,000	Angela Yapp	None	None
144	Staffing	New Operating Model for SEND.	58,550	-	58,550	Jo Britton	None	None
145	Non-Staff	Review Current Short Breaks Offer	25,000	25,000	50,000	Viv McKay	None	None
146	Non-Staff	Reduce number of Residential Care placements	-	1,000,000	1,000,000	Jacqui Davies	None	None
147	Non-Staff	Reduce contribution to Tier 2 CAMHS service	50,000	-	50,000	Viv McKay	None	None
148	Staffing	Cross Service rationalisation of Business Support and Administration - all Children's Services	70,540	30,000	100,540	Laura Johnston	None	None
Total Savings Children's Safeguarding & Specialist Services			354,090	1,555,000	1,909,090			
Education & Corporate Parenting								
149	Staffing	Removal of vacant posts and changes to working patterns and rationalisation of funding available within Education & Corporate Parenting	398,950		398,950	Jim Collins	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
150	Service Review/Redesign	Changes to Transport Policy	100,000	300,000	400,000	Kathy Swallow	None	None
151	Service Review/Redesign	Reconfiguration of Specialist Services within Children & Family Services, including a reduction in the staffing levels across the teams. By combining functions where possible to create efficiency savings.	181,000	100,000	281,000	Andy Cooke	None	None
152	Income	Increases in Income Targets within various services within Education & Corporate Parenting	140,590	144,250	284,840	Chris Minton	None	None
153	Staffing	Restructure so the strategic support for Early Years within the School Improvement service to rationalise provision.	174,060		174,060	Alison Lamputt	None	None
154	Non-Staff	Reduction of budget for redundancy costs in schools	41,040		41,040	Jim Collins	None	None
155	Non-Staff	School effectiveness	11,660		11,660	Jim Collins	None	None
Total Savings Education & Corporate Parenting			1,047,300	544,250	1,591,550			
Family, Cohesion & Commissioning Services								
156	Staffing	Savings arise from the introduction of a new operating model which reduces our capacity to deliver preventative services. The opportunity will also be taken to integrate children and adult preventative services. This saving will see a reduction in the number of and our input to children centre to a minimum. We will look for partners or communities to take on the running of some children centre services/activities.	474,270	799,660	1,273,930	Clive Jones	None	None
157	Staffing	Restructure of Commissioning, Brokerage & Contracts services required to service new operating model	97,290	115,520	212,810	Viv McKay	None	None
158	Service Review/Redesign	Closure of a number of youth clubs run by our part time youth workers	151,000	151,000	302,000	Jas Bedesha	None	None
159	Staffing	4 PCSO posts funded by Council deleted or funded from another source. For example by Parish/Town Councils.		120,500	120,500	Jas Bedesha	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
160	Income	Increased Income Targets across Family Community & Cohesion service areas. Examples include income generated through delivery of training courses to external providers, schools and voluntary sector partners		40,000	40,000	Jas Bedesha	None	None
161	Property Rationalisation	The Council uses a number of premises. Further scope exists as our workforce reduces and through working with adult services to rationalise the use of property. Example include our use of Hadley Learning Community as an office base for preventative staff. A recent move to Leegomery has seen the Council make a significant saving with the full year effect coming through in 2016/17. Opportunities also exist for reducing our utilisation of The Park Lane Centre for delivering some activities.	71,630		71,630	Debbie Lloyd/Jas Bedesha	None	None
Total Savings Family, Cohesion & Commissioning Services			794,190	1,226,680	2,020,870			
Public Health, Wellbeing & Public Protection								
162	Service Review/Redesign	Reduce budget for smoking cessation services in line with current demand	209,300	-	209,300	Helen Onions/Stacey Norwood	None	None
163	Service Review/Redesign	Further reduction in the NHS Health Check programme activity	46,320	40,000	86,320	Helen Onions/Stacey Norwood	None	None
164	Service Review/Redesign	Further efficiencies within drugs and alcohol services	107,500	70,000	177,500	Helen Onions/Bhavna Taank	None	None
165	Service Review/Redesign	Decommission GP STI sexual health service	34,000	-	34,000	Helen Onions/Stacey Norwood	None	None
166	Service Review/Redesign	Breastfeeding - Cease co-ordinator post within Shropshire Community Trust	50,000	-	50,000	Louise Mills/Vicki Pike	None	None
167	Service Review/Redesign	Green Gym - reduction in grant	35,000	50,000	85,000	Louise Mills/Clare Harland	None	None
168	Service Review/Redesign	More efficient commissioning of Children 0-5 services	150,000	30,000	180,000	Louise Mills/Vicki Pike	None	None
169	Service Review/Redesign	Further efficiencies in Healthy Lifestyles & Health Trainer model	25,000	47,000	72,000	Louise Mills/Clare Harland	None	None
170	Service Review/Redesign	Withdrawal of Public Health grant support funding for previous leisure membership scheme	-	75,000	75,000	Liz Noakes	None	None
171	Service Review/Redesign	End Cities of Service (Lets Grow) Partnership Funding	-	45,000	45,000	Louise Mills/Clare Harland	None	None
172	Service Review/Redesign	No decommissioning of parenting project	-	30,000	30,000	Louise Mills / Vicki Pike	None	None
173	Staffing	Delete a post within Public Protection supported by the Public Health grant	-	31,510	31,510	Liz Noakes/Nicky Minshall	None	None
174	Non-Staff	Civil Resilience - Savings on Supplies and Services	14,000	-	14,000	Heather Gumsley	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No.	Savings Type	Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
175	Staffing	Significant reduction in admin support and some reduction in Emergency Planning Officer hours	11,700	-	11,700	Heather Gumsley	None	None
176	Staffing	Cease use of Emergency Planning Duty Manager to activate Emergency Plan and revert to service from Fire Control at Shropshire Fire and Rescue	-	4,200	4,200	Heather Gumsley	None	None
177	Non-Staff	Reduction in operational and training budgets	13,760	14,070	27,830	Nicky Minshall	None	None
178	Staffing	Reduce and rationalise the number of posts	24,370	56,060	80,430	Nicky Minshall	Potential reduction of services to businesses may impact on businesses changing or expanding.	None
179	Income	Increased licensing income from returning taxi trade	6,030	-	6,030	Nicky Minshall	Increased cost/overheads to businesses	None
180	Service Review/Redesign	Further efficiencies in Coroner Services	14,000	16,000	30,000	Liz Noakes	None	None
Total Savings Public Health, Wellbeing & Public Protection			740,980	508,840	1,249,820			
Adult Social Services								
181	Service Review/Redesign	The current model of adult social care while demonstrating a level of savings by reducing demand and managing unit cost will not deliver the level of savings required. Over a 2016/17 and 2017/18 we will see a reduction in 5.350 million in the purchasing budget. The savings will be achieved by moving from the council providing a managed service, where we take responsibility for organising care provision to a direct payment and support planning model of service. The RaS will be re-calibrated to provide a personal budget for individuals to directly purchase and commission services. We anticipate clients will then make different decisions regarding transport, day care domiciliary care which will have implications for existing providers, contracts, brokerage and commissioning teams. This will maximise the amount of resources available to maintain people in community settings supported by a direct payment. Targeted actions are in place in relation to discharge to assess to ensure that we maximise efficiencies through integration and the Better Care Fund. We are also building upon the Alder Advice project to continue to work with adults with a learning disability and mental health problems in high cost residential placements, to find better outcomes at reduced cost.	2,970,000	2,380,000	5,350,000	Julie Smith/Andy Bailey	£5.5m reduction in spend with local providers of care support to adults.	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS IDENTIFYING THE ECONOMIC AND ENVIRONMENTAL IMPACTS

APPENDIX 4.

No. Savings Type		Description of Saving	2016/17	2017/18	Total Ongoing Saving	Lead Officer	Economic Impact	Environmental Impact
			£	£	£			
182	Service Review/Redesign	As we move to locality working we will see efficiencies in reducing duplication in work between council employees. The work force remodelling will require a reduction of assessment staff ,the remaining workforce will be set individual targets and performance managed. A benchmark of a minimum of one assessment/ review per day. Mobile working and home working will be the norm. The new workforce will see the introduction of support planners and peer brokers.	450,000	450,000	900,000	Richard Smith	None	None
183	Income	Both T&W Clinical Commissioning Group and the Council are committed to increasing the level of support funded by Continuing Health Care (CHC). An increase of £1m is a reasonable assumption given bench marking data	-	1,000,000	1,000,000	Richard Smith	None	None
184	Service Review/Redesign	The local authority spend on adults with a learning disability is high compared to both regional and national comparators. Working with T&W Clinical Commissioning group (CCG) it is possible not only to reduce funding but also improve outcomes for people. This will be achieved by working more efficiently with health partners and adopting a support planning approach.	200,000	400,000	600,000	Clive Jones	None	None
185	Service Review/Redesign	There are a wide range of service models in place in Telford to support people in long term accommodation, each with a different contractual arrangement in place. By introducing a personal budget for individual people accessing services such as extra care and supported housing it will be possible to make savings and also provide greater choice and control for individuals similar, to that of people living in their own accommodation.	116,000		116,000	Viv McKay	None	None
186	Service Review/Redesign	Review of Voluntary Sector Agreements (SLAs)	109,000		109,000	Viv McKay	None	None
Total Savings Adult Social Services			3,845,000	4,230,000	8,075,000			

18,149,440 12,171,630 30,321,070

APPENDIX 5
TELFORD & WREKIN COUNCIL
Pay Policy Statement – 2016/17

1. Introduction and Purpose

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘Statement’) sets out the Council’s approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011.
- 1.2 The purpose of this Statement is to provide transparency about the Council’s approach to setting the pay of its employees (excluding those working in local authority schools and/or employed under the School Teachers’ Pay and Conditions Document) by identifying:
- the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff, i.e. ‘chief officers’, as defined by the relevant legislation; and
 - the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.3 Once approved by the Council, this policy statement will come into effect on 1st April 2016 and will continue to be subject to annual review.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Employment Rights Act 1996, the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council is taking steps to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay Structure

- 3.1 Based on the application of the job evaluation process, the Council uses the nationally negotiated pay spines (further details can be found at www.lge.gov.uk) as the basis for its local grading structure. This determines the salaries of the large majority of the non school-based workforce, together with the use of other nationally-defined rates where relevant.

- 3.2 The Council adheres to national pay bargaining in respect of the national pay spines and any annual cost of living increases negotiated in those pay spines. The last national pay awards for employees were:

Negotiating Group:	Effective date:	Settlement:
Joint National Council for Chief Officers	1 st January 2015 – 31 st March 2016	2.0%
Joint Negotiating Committee for Youth & Community Workers	1 st September 2014 – 31 st August 2016	2.2% (pay increase paid from 1 st March 2015 with no back-dating)
National Joint Council for Local Government Services	1 st January 2015 – 31 st March 2016	2.2% overall
Soulbury Committee	1 st September 2014 – 31 st August 2016	2.2% (pay increase paid from 1 st March 2015 with no back-dating)

Settlements for 1st April 2016 onwards have not been agreed at the date of drafting this Statement.

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

4. Senior Management Remuneration

- 4.1 For the purposes of this Statement, senior management means 'chief officers' as defined within s43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2016:

- a) **Managing Director**
The salary of the post is £137,000 per annum. The salary is a single 'spot' salary. There is no incremental range.
- b) **Directors**
The salaries of the posts designated as Directors are £109,600 per annum. The salaries are single 'spot' salaries and have no incremental range.
- c) **Assistant Directors**
The salaries of the posts designated as Assistant Directors have six incremental points ranging from £75,704 to £83,950 per annum. Incremental progression will take place on 1st April each year to the maximum of the scale.

5. Recruitment of Chief Officers

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

6. Additions to Salary of Chief Officers

- 6.1 Following the latest (January 2016) restructure of the Council's Senior Management Team (SMT), the size of the Council's SMT has reduced by 58% since 2009/10. This reduction is twice the average seen nationally.
- 6.2 The Council does not apply any bonuses or performance-related pay to its chief officers.

- 6.3 In addition to the basic salary set out above, details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties are as follows:

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

7. Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, and Regulation 60 of the Local Government Pension Scheme Regulations 2013.
- 7.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall, in respect of the Managing Director, Directors and Statutory Officers, be subject to a decision made by the Personnel Committee which has otherwise delegated authority to approve such payments to other Chief Officers to the Managing Director.
- 7.3 The Council's policy is not to re-employ, for a period of at least 12 months after their employment with Telford & Wrekin Council ends, anyone who has been made redundant or who has left the Council in the interest of the efficiency of service where a severance payment has been made in accordance with the Council's policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or under Regulation 30 of the Local Government Pension Scheme 2013 or Schedule 2, Paragraphs 2 (2) and 2 (3) of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. The re-engagement of an individual on a consultancy, agency or private service provider basis is also prohibited in circumstances where this arrangement could have reasonably been foreseen at the time the individual left.
- 7.4 Flexible retirement under Regulation 30 of the Local Government Pension Scheme Regulations 2013 or Regulation 11 (2) of the Local

Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 will be permitted only where savings to fund the cost of such release are achieved.

8. Publication

8.1 Upon approval by the full Council, this Pay Policy Statement will be published on the Council's Website. In addition, for members of the Council's Senior Management Team and for those who report directly to the Head of Paid Service (Managing Director) where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable in the current and previous year;
- any bonuses so paid or receivable in the current and previous year (N.B. The Council does not operate a bonus system);
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- employers pension contribution
- any benefits received that do not fall within the above

8.2 This information will be listed individually by job title where the salary is £50,000 or more. Persons whose salary is £150,000 or more will be identified by name.

8.3 Additional information relating to pay is published in accordance with the DCLG Local Government Transparency Code 2015 is available on the Council's website as part of its annual [Workforce Information](#) report.

9. Lowest Paid Employees and the Median salary

9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full-time (37 hours per week) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2016, this is £13,500 (£13,890 per annum for those aged 25 and above in accordance with the National Living Wage). The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under a Training Contract

9.2 The statutory guidance under the Localism Act 2011 recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector

manager can earn more than 20 times the lowest paid person in the organisation.

- 9.3 The pay levels within the Council as at 1st April 2016 define the multiple between the lowest paid (full time equivalent) employee and the Managing Director as 1:10.2 and between the lowest paid employee and average Chief Officer as 1:6.4. The Council's pay multiples therefore fall well below Lord Hutton's public sector threshold set out in 9.2.
- 9.4 The full-time equivalent median (mid-point) pay level within the Council is £21,269. The multiple between the Managing Director and this median point is 1:6.4 and the average Chief Officer is 1:4.1.
- 9.5 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

10. Accountability and Decision Making

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

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

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

PART A – RETURNING OFFICER'S FEES

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

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

Parish Councils – Electoral Fees

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

PART A – RETURNING OFFICER'S FEES

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

Figures are based on salaries as at 31st December 2015

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

APPENDIX B

NJC CIRCULAR 1/10

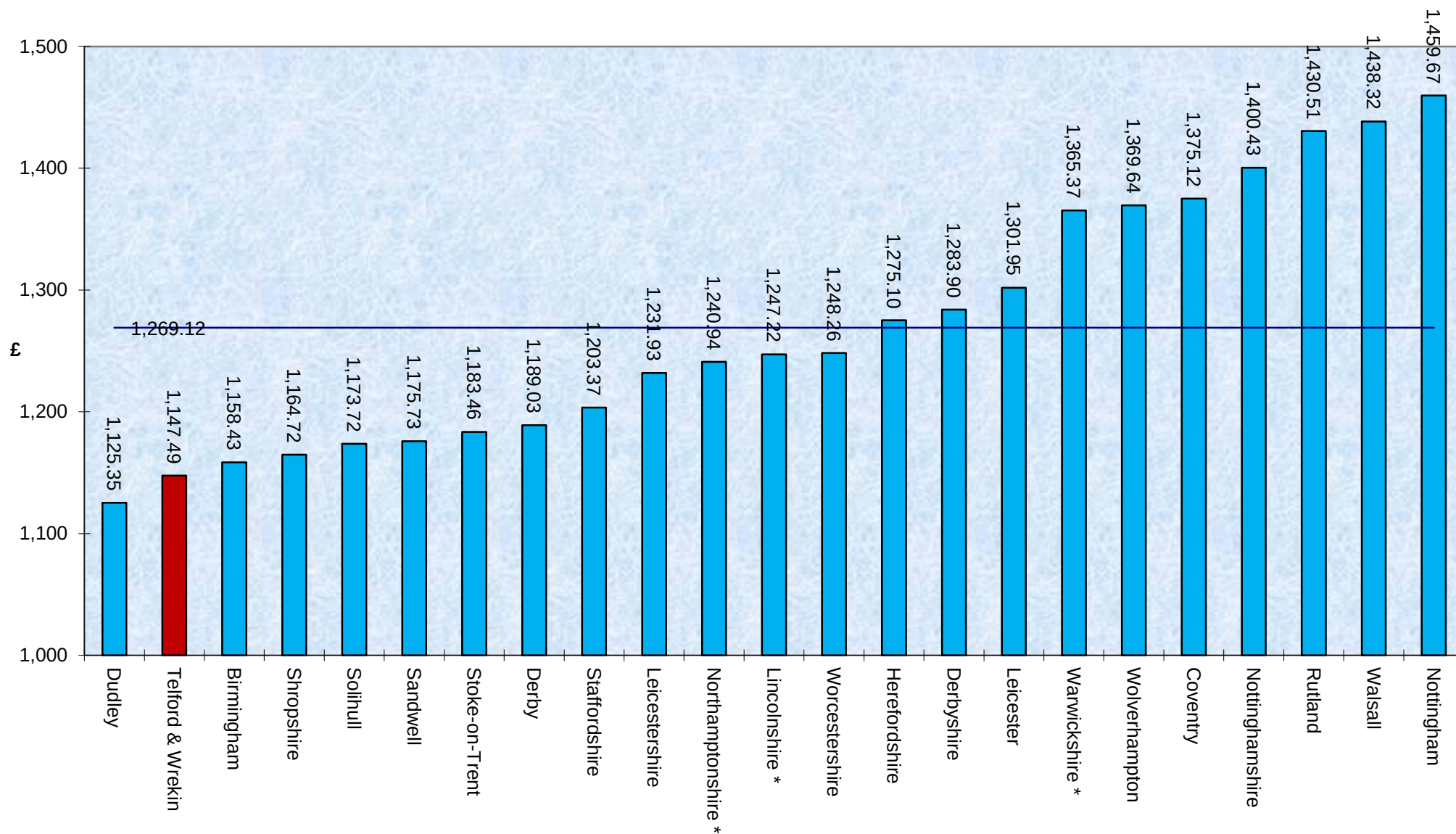
NJC CAR ALLOWANCES 2010/11

1. CAR ALLOWANCES - PART 3 PARAGRAPH 6

It has been agreed that the rates of Car Allowances be revised with effect from **1 April 2010**. The new rates are set out below:

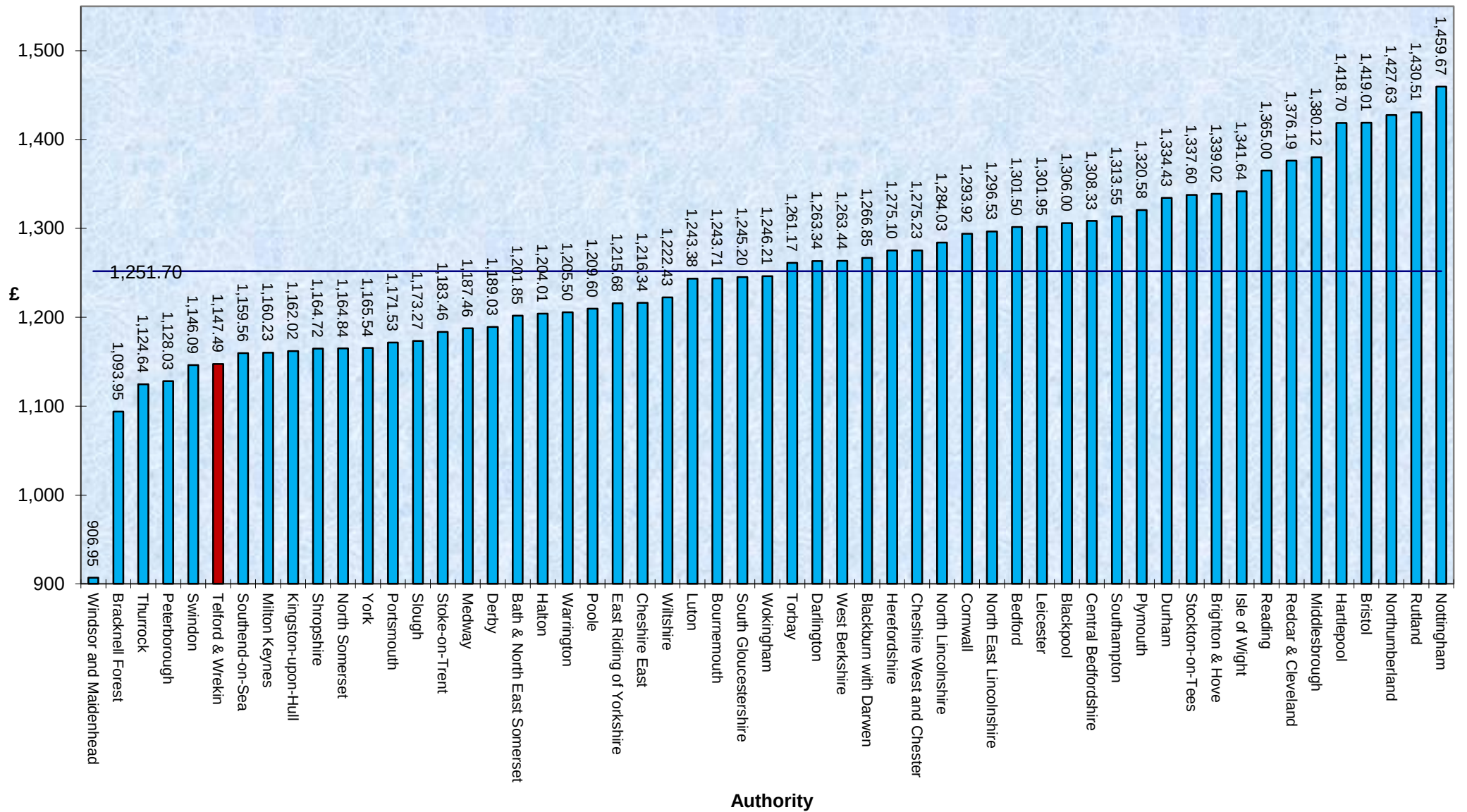
	<u>451 - 999cc</u>	<u>1000 - 1199cc</u>	<u>*1200+</u>
<u>Essential Users</u>			Only Applicable to employees on Wrekin Conditions
Lump sum per annum	£846	£963	£1,239
per mile first 8,500	36.9p	40.9p	50.5p
per mile after 8,500	13.7p	14.4p	16.4p
<u>Casual Users</u>			
per mile first 8,500	46.9p	52.2p	65.0p
per mile after 8,500	13.7p	14.4p	16.4p

**Midlands Authorities 2015/16 Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)**

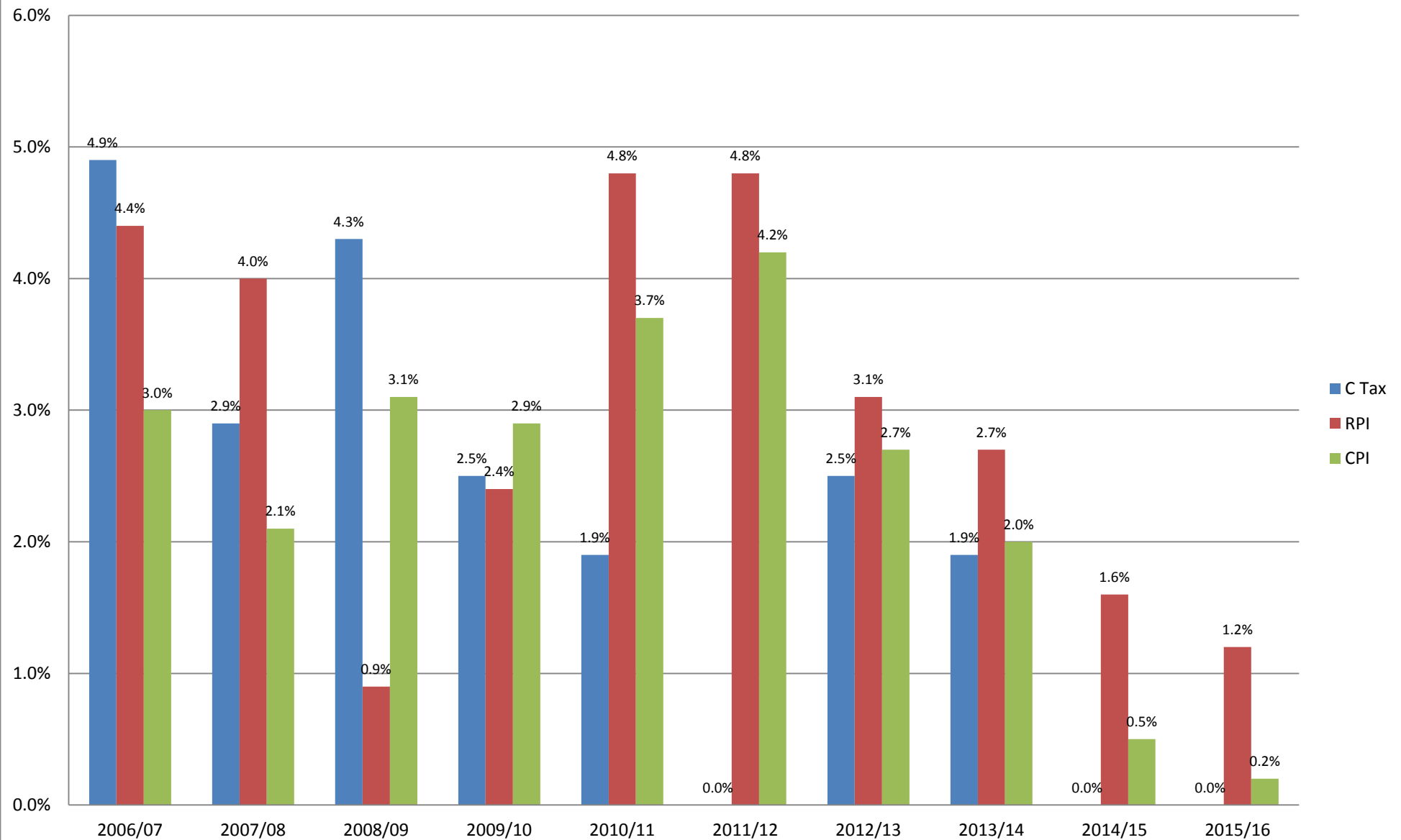


Authority
* includes fire expenses

Unitary Authorities 2015/16 Band D Council Tax (Excluding Police, Fire and Parish precepts)



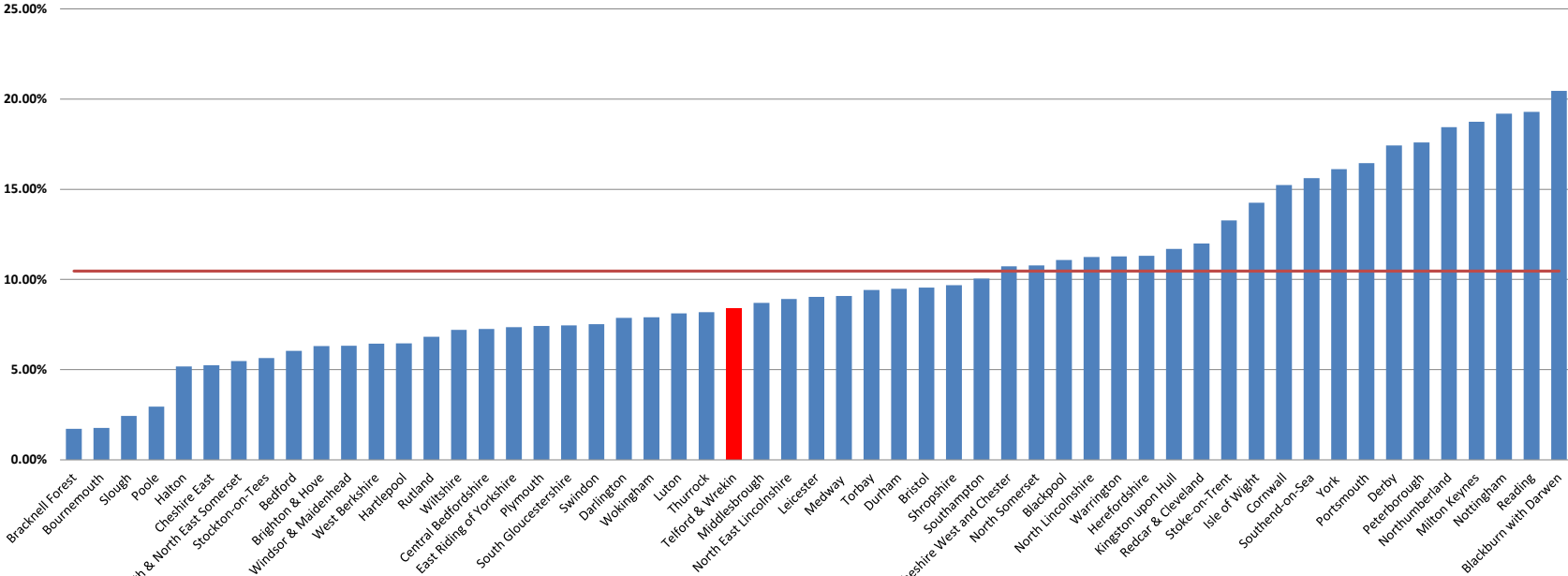
Council Tax, RPI and CPI Increases Since 2006/07 Appendix 8A



Cumulative Council Tax, RPI and CPI Increases Since 2006/07 APPENDIX 8B



Financing Costs to Net Revenue Stream - 2015/16 Unitary Authorities



TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET - BEFORE SAVINGS AND INVESTMENTS

Service Delivery Unit	<u>2016/17</u> <u>GROSS</u> <u>EXPENDITURE</u> £	<u>2016/17</u> <u>GROSS</u> <u>INCOME</u> £	<u>2016/17</u> <u>NET</u> <u>EXPENDITURE</u> £
Public Health, Wellbeing & Public Protection	13,345,103	10,297,267	3,047,836
Law, Democracy & People Services	5,117,488	4,757,083	360,405
Neighbourhood & Leisure Services	46,528,839	15,091,970	31,436,869
Development, Business & Employment	24,830,032	22,932,740	1,897,292
Customer Services	106,629,140	100,137,256	6,491,884
Finance, Audit & Information Governance	5,330,068	5,330,068	0
Adult Social Services	52,899,534	16,190,243	36,709,291
Family, Cohesion & Commissioning	15,323,600	5,555,530	9,768,070
Childrens Safeguarding & Specialist Services	25,010,142	5,038,338	19,971,804
Education & Corporate Parenting	125,660,956	113,423,157	12,237,799
Co-operative Council	4,116,843	2,867,453	1,249,390
Council Wide Items	14,970,640	10,994,904	3,975,736
Netting off of Internal Recharges included above	(29,572,603)	(29,572,603)	0
Total	410,189,782	283,043,406	127,146,376
Less Use of Balances	3,529,000	434,750	3,094,250
Net Total	413,718,782	283,478,156	130,240,626

Base Budget Movements from 2015/16

	<u>£'000</u>	<u>£'000</u>
2015/16 Base Budget		123,661
Use of One Off GF Balances in 2015/16 Budget		858
Use of one off Social Services Reserves		1,000
Use of Balances - MRP Reserve being used to fund		(190)
Pride In Citty borrowing costs		
One Off Investments in 15/16		(3,905)
Use of Collection Fund Reserve		1,827
		<u>123,251</u>
<u>Inflation</u>		
General	1,067	
Pay Inflation	757	
Apprentice Pay Inflation	167	
		<u>1,991</u>
<u>Council Wide Items</u>		
Pensions - Increase in employers contribution	391	
Pensions - impact of single state pension	1,185	
New Homes Bonus	(1,936)	
Education Services Grant reduction	409	
Impact of single status implementation delay	(1,545)	
Impact of Care Act Grant Transferring into RSG	738	
Lawley Street Lighting	32	
Increased contingency	446	
Other	943	
		<u>663</u>
<u>Capital/Treasury</u>		
Cost of Capital Programme	1,771	
		<u>1,771</u>
<u>Service Pressures</u>		
Multi Storey Carpark	300	
Environmental Services Contract Costs	150	
Provision to meet bus subsidy costs 2016/17 to 2020/21	500	
Provision to meet additional PET costs 2016/17 to 2018/19	616	
Public Health in year and further Grant Cuts	1,073	
		<u>2,639</u>
Base Budget before Savings		130,315
<u>Less Savings</u>		
Savings Proposals - approved in March 2015 Strategy	74	
		<u>74</u>
Base Budget after Savings already approved		130,241
<u>Less Funding</u>		
Council Tax Income	53,165	
Revenue Support Grant	24,899	
Parishes	(250)	
Retained Business Rates (including top up and s31 grant)	37,776	
Collection Fund	3,529	
Total Funding		119,119
Base Funding Requirement		<u>11,122</u>

Usable Balances at 1 April 2019**APPENDIX 12**

			Balance at 1 April 2019 £m
Total Reserves and Balances			49.95
Less Commitments/Earmarked Funds:			
School Funds	Balances held on behalf of schools; therefore not available to the Council	-	8.95
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership, Telford Energy Advice Centre, Arthog, PVI Early Years sector and Section 38 Funds	-	0.16
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	-	0.15
Grant funding	Grant funding received and fully committed in the budget strategy	-	0.30
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	-	2.00
Severance Fund	Funds set aside to meet one off severance costs associated with service redesign which delivers ongoing savings	-	2.10
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	-	0.67
Other Corporate Items	For example, Collection Fund, ITS Fund	-	4.52
Single Status	Provision for equal pay settlement	-	11.92
Other Provisions	For example NDR Appeals, Bad Debts and Pride Funding Reserve	-	9.12
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken	-	1.27
Residual General Working Balances			8.81
Earmarked for Financial Risks following Risk Review			- 6.45
Residual Balances Available for the Budget Strategy			2.36

Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	April 2015 Opening		April 2016 Opening		April 2017 Opening		April 2018 Opening		April 2019 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19			
General / Special Fund Balances													
Special Fund Bals	Special Fund Balance	(586,062.99)		(586,062.99)		(586,062.99)		(586,062.99)		(586,062.99)	Working balance	Sufficient	
General Fund Bals	General Fund Balance	(3,782,935.62)		(3,782,935.62)		(3,782,935.62)		(3,782,935.62)		(3,782,935.62)	General Fund Working Balance	Forms part of minimum level of balances required	
Reserves	Budget Strategy Reserve	(3,817,367.56)	(627,500.00)	(4,444,867.56)		(4,444,867.56)		(4,444,867.56)		(4,444,867.56)	Available for budget strategy		
Total General / Special Fund Balances		(8,186,366.17)	(627,500.00)	(8,813,866.17)	0.00	(8,813,866.17)	0.00	(8,813,866.17)	0.00	(8,813,866.17)			
Specific Commitments not Available													
Collection Fund	Council Tax Coll Fund Rev Acc	(3,618,563.24)	90,000.00	(3,528,563.24)	3,528,563.24	0.00		0.00		0.00	Collection fund surplus	£2.262m to be drawn down in 15/16 per the approved strategy. Future surpluses will add to the balance available.	
Collection Fund	Collection Fund Reserve Fund		(1,702,000.00)	(1,702,000.00)	(3,528,563.24)	(5,230,563.24)		(5,230,563.24)	2,500,000.00	(2,730,563.24)	Drawn down balance from Collection fund surplus.	Committed to the medium term strategy	
Provision	NDR Appeals Provision	(2,401,000.00)		(2,401,000.00)		(2,401,000.00)		(2,401,000.00)		(2,401,000.00)	Provision required to meet any back-dated NDR appeals (T&W element only)	Reviewed annually; level required depends of value and volume of appeals.	
Reserve	Capital Funding Reserve	(1,000,000.00)		(1,000,000.00)		(1,000,000.00)	1,000,000.00	0.00		0.00	Set aside at 14/15 year end to fund Pride in Your Community Fund Initiative in 17/18 (instead of prudential)	Fully Committed	
Reserve	Accommodation	(300,000.00)	300,000.00	0.00		0.00		0.00		0.00	Transferred to accommodation budget		
Reserve	Broadband Development	(400,000.00)	400,000.00	0.00		0.00		0.00		0.00	Broadband match funding		
Reserve	Healthy Eating Initiative/Pilot	(34,000.00)	34,000.00	0.00		0.00		0.00		0.00			
Reserves	Environmental Mtce Programme	(750,000.00)	750,000.00	0.00		0.00		0.00		0.00			
Reserves	Parish Environmental Teams	(800,000.00)		(800,000.00)		(800,000.00)	400,000.00	(400,000.00)	400,000.00	0.00	To be drawdown by Neighbourhood.	Continued funding of Pride Programme through to 2018/19.	
Reserves	High Streets	(1,000,000.00)	500,000.00	(500,000.00)	500,000.00	0.00		0.00		0.00			
Reserves	Local Plan Enquiry	(125,000.00)	125,000.00	0.00		0.00		0.00		0.00			
Provision	Single Status Provision - General Fund element	(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)	Funding set aside to meet costs of implementing single status	Fully Committed	
Reserves	Skills Dvpt and Apprentices	(349,686.80)	64,424.00	(285,262.80)		(285,262.80)		(285,262.80)		(285,262.80)	To support employees facing redundancy and apprentice posts		
Reserves	Severance Fund	(4,907,657.63)	2,500,000.00	(2,407,657.63)	307,657.63	(2,100,000.00)		(2,100,000.00)		(2,100,000.00)	Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings	Monitored as restructures progress.	
Provision	Redundancy Provision	(128,314.00)	128,314.00	0.00		0.00		0.00		0.00	Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 3 15. A new provision will be created at 31 3 16.	Fully committed in 15/16.	
Reserve	Pride in Your Community - Funding Reserve	(4,835,000.00)	245,000.00	(4,590,000.00)	434,000.00	(4,156,000.00)	434,000.00	(3,722,000.00)	434,000.00	(3,288,000.00)	Reserve created to fund debt charges associated with the Pride In Your Community initiative.	Will meet associated debt charges until 2026/27	
Reserves	Insurance - Self Insurance Fund	(1,599,701.09)		(1,599,701.09)		(1,599,701.09)		(1,599,701.09)		(1,599,701.09)	Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims.	
Reserves	LPSA Reward Grant LSP element - revenue	(284,795.87)	79,165.00	(205,630.87)	36,280.00	(169,350.87)	36,280.00	(133,070.87)	36,280.00	(96,790.87)	Committed to fund Community Engagement Team	Fully committed in budget	
School Bals	School Balances	(6,960,945.13)	750,000.00	(6,210,945.13)	750,000.00	(5,460,945.13)	750,000.00	(4,710,945.13)	750,000.00	(3,960,945.13)	This represents school balances held by the LEA only. Additional amounts are held by schools as balances in independent bank accounts. Projected movement in balances is based on schools budget plans. It should be noted that schools budget outturns, over the sector as a whole are invariably better than initial budgets (i.e. balances are higher.)		
Reserves	Schools' Supply Insurance Fund	(37,069.87)	5,000.00	(32,069.87)	5,000.00	(27,069.87)	5,000.00	(22,069.87)	5,000.00	(17,069.87)	Self Insurance Fund for supply teacher cover in Schools including maternity pay - fluctuates year on year dependant on levels of sickness and maternity leave	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim	
Reserves	Theft & Vandalism Fund	(55,813.92)	5,000.00	(50,813.92)	5,000.00	(45,813.92)	5,000.00	(40,813.92)	5,000.00	(35,813.92)	Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance.	LA administered to limit losses to schools. Regular review to ensure premiums are at an appropriate level.	

Schedule of Provisions, Reserves and Balances

April 2015 Opening April 2016 Opening April 2017 Opening April 2018 Opening April 2019 Opening												
Balance Sheet Structure	Description	Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
Reserves	Schools Maternity Insurance Fund	(68,358.77)	10,000.00	(58,358.77)	10,000.00	(48,358.77)	5,000.00	(43,358.77)	5,000.00	(38,358.77)	Self insurance fund to cover	
Provision	Single Status - DSG and Schools	(4,347,143.79)		(4,347,143.79)		(4,347,143.79)		(4,347,143.79)		(4,347,143.79)	Provision for Single Status costs in schools and DSG centrally funded staff. Use of this dependant on final implementation of SS.	As per Corporate percentages
Reserves	Youth Offending	(97,284.50)	80,000.00	(17,284.50)	17,284.50	0.00		0.00		0.00	T&W share of Partnership reserve for YOS - confirmed share of reserve following closure of Partnership - other Cms are Systemic Training - £80k, Rest to be utilised to offset any in year savings once announced or impact in 16/17 associated with WM YOS grant	
Reserves	Local Safeguarding Board	(52,841.18)	37,841.00	(15,000.18)	5,000.00	(10,000.18)	10,000.18	0.00		0.00	T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	
Reserves	SDG Balances	(3,334.83)	1,500.00	(1,834.83)	1,500.00	(334.83)	334.83	0.00		0.00	School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.
Specified	Early Years	(115,938.54)	30,000.00	(85,938.54)	15,000.00	(70,938.54)	10,000.00	(60,938.54)		(60,938.54)	ring fenced fund for PVI early years sector used to pay for refurb and r&m on early years provision - £20k subject to S256 agreement for Family Nurse Partnership	reasonable
Nursery Reserves	Early Years	(156,994.53)	84,000.00	(72,994.53)	30,000.00	(42,994.53)	30,000.00	(12,994.53)		(12,994.53)	To sustain existing nursery provisions in key areas of need	
Reserves	Match Funding Provision/Trading Support	(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)	To assist with the development of new income streams and provide an smoothing account for any changes to trading income.	
Reserves	Arthog Trading Provision	(193,708.40)	162,000.00	(31,708.40)	(1,250.00)	(32,958.40)	(1,250.00)	(34,208.40)	(60,000.00)	(94,208.40)	Working balance for trading operation	Carried forward of Revenue Surplus to be spent on renovations and new accommodation
Reserves	Hadley PFI Sinking Fund	(1,524,782.37)	211,072.00	(1,313,710.37)	215,000.00	(1,098,710.37)	215,000.00	(883,710.37)	215,000.00	(668,710.37)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed
Reserves	Lifelong Learning Grant	(216,281.45)	63,422.00	(152,859.45)		(152,859.45)		(152,859.45)		(152,859.45)	Balance of Grant received from SFA. Academic grant which has been spent in April - Aug 2014.	This can be released, no known commitments.
Reserves	Invest to Save Reserve	(122,587.04)	122,587.04	0.00		0.00		0.00		0.00	Committed for Family Connect services budget support in year	
Reserves	PIP Reserve Contribution Account	(250,469.65)	250,469.65	0.00		0.00		0.00		0.00	Reserve to be used to aid with the ongoing rationalisation of the PIP resulting pressures on Income and Service Charge voids.	Fully committed in 15/16 to offset pressures to Multi storey car park as agreed at S&FP.
Reserves	Dilapidations - PIP	(129,014.73)	129,014.73	0.00		0.00		0.00		0.00	Committed spend on Hollinswood House & Stafford Park 15 and a number of other properties in relation to dilapidations.	Held in anticipation of works being carried out in 15/16.
Reserves	Granville House	(70,803.12)	70,803.12	0.00		0.00		0.00		0.00	Granville House refurbishment - will be utilised as part of accommodation strategy, D Runton.	Revenue
Reserves	Transforming Telford Reserve	(56,755.99)	56,755.99	0.00		0.00		0.00		0.00	TT will be closed this year - hold for closure costs - D Runton.	Revenue
Provision	Land Charges Provision	(259,300.00)	259,300.00	0.00		0.00		0.00		0.00		
Reserves	Corporate ICT Reserve	(1,739,645.97)	1,739,645.97	0.00		0.00		0.00		0.00	To support the ICT Capital Programme	
Reserves	Unemployment Initiatives	(500,000.00)	500,000.00	0.00		0.00		0.00		0.00	Created at year end 14/15. Drawdown of funding for Unemployment initiatives.	
Total Specific Commitments		(51,494,407.17)	8,082,314.50	(43,412,092.67)	2,330,472.13	(41,081,620.54)	2,899,365.01	(38,182,255.53)	4,290,280.00	(33,891,975.53)		
Specific Earmarked Balances Identified as Risks												
Debtors	Bad Debt Provision	(3,428,222.73)		(3,428,222.73)		(3,428,222.73)		(3,428,222.73)		(3,428,222.73)	To cover bad debts	Level based on formula
Reserves	Corporate Capacity / Invest to Save Fund	(2,508,345.60)	1,000,000.00	(1,508,345.60)		(1,508,345.60)		(1,508,345.60)		(1,508,345.60)	Various initiatives to build capacity and provide funding to deliver future savings.	
Reserves/Provision/ Creditor	Insurance Funds	(243,093.29)		(243,093.29)		(243,093.29)		(243,093.29)		(243,093.29)	Self Insurance Reserve (non-Education) as part of overall insurance strategy	Level seems reasonable, based on the excesses to which the council is exposed under the current arrangements
Reserves	General - Insurance - SCC liabilities	(227,733.62)	25,000.00	(202,733.62)	25,000.00	(177,733.62)	25,000.00	(152,733.62)		(152,733.62)	This is an additional insurance reserve which was established when the County Council's balance sheet was disaggregated and is available to cover claims liabilities that arise.	If this does ever become available following the actuarial valuation the level would increase the level of self insurance available to the authority.
Reserves	Stop Loss Provision	(944,848.78)	150,000.00	(794,848.78)	150,000.00	(644,848.78)	75,000.00	(569,848.78)	75,000.00	(494,848.78)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding - payments already made in 12/13	

Schedule of Provisions, Reserves and Balances

		April 2015 Opening		April 2016 Opening		April 2017 Opening		April 2018 Opening		April 2019 Opening		
Balance Sheet Structure	Description	Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
Reserves	BSF Lifecycle and FM	(146,983.20)		(146,983.20)		(146,983.20)		(146,983.20)		(146,983.20)	The reserve reflects the Council's agreed approach to delivering FM & Lifecycle at secondary schools in line with EFA specifications - this will be reviewed to establish appropriate levels. The conversion of schools to Academies may have an impact on the levels - not able to project changes at this time.	
Reserves	Building Schools for the Future	(123,626.69)	100,000.00	(23,626.69)	23,626.69	0.00		0.00		0.00	Reserve set aside for procurement and support costs associated with BSF	
Total Specific Earmarked Balances Identified as Risks		(7,622,853.91)	1,275,000.00	(6,347,853.91)	198,626.69	(6,149,227.22)	100,000.00	(6,049,227.22)	75,000.00	(5,974,227.22)		
Specific Earmarked Service Balances												
Reserves	Elections Equalisation Reserve	(238,728.89)	150,000.00	(88,728.89)	(55,000.00)	(143,728.89)	(55,000.00)	(198,728.89)	(55,000.00)	(253,728.89)	Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.	depends on the number of elections that arise; next Borough election due May 2019
Reserves	Single Status Project	(324,975.86)		(324,975.86)	150,000.00	(174,975.86)	174,975.86	0.00		0.00	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation	
Creditors	Community Right to Challenge	(8,547.00)	8,547.00	0.00		0.00		0.00		0.00	Funding to support staffing in Procurement	
Reserves	Balance Control Mechanism / Residual balances from closed schools	(56,024.63)		(56,024.63)		(56,024.63)		(56,024.63)		(56,024.63)	Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	To cover possible deficits of schools which close in the future.
Specified	Early Help Plan	(80,231.90)	48,992.00	(31,239.90)	31,239.90	0.00		0.00		0.00	Required to Support Early Help Action Plan	
Reserves	Joint Commissioning Balance	(26,438.59)	26,438.59	0.00		0.00		0.00		0.00	Committed into budget	
Reserves	Childrens Services	(78,000.00)	78,000.00								Being used in 2015/16 towards Safeguarding overspend reduction	
Reserves	Safer Communities cwfd	(95,501.90)	65,501.90	(30,000.00)	10,000.00	(20,000.00)	10,000.00	(10,000.00)	10,000.00	0.00	Combination of two reserves - committed to fund Domestic Violence service and initiatives, Crucial Crew and other community safety costs to be incurred.	
Reserves	SIS - One vision	(1,927.54)		(1,927.54)		(1,927.54)		(1,927.54)		(1,927.54)	Given by One Vision Charity to support children with vision impairment - committed	
Reserves	Youth Projects Support	(95,695.63)	22,000.00	(73,695.63)	35,000.00	(38,695.63)	38,695.63	0.00		0.00	Funding of Youth Parliament and required to build community capacity and resilience for Youth and Family support	
Reserves	Stafford Park Pooled Fund	(23,674.00)	23,674.00	0.00		0.00		0.00		0.00	Reserve arising from Stafford Park arrangement - now being decommissioned which is likely to result in some costs to the Council - monies to be used to cover costs whilst marketing property	
Reserves - from creditors	Education Welfare Balance	(59,617.45)	40,000.00	(19,617.45)	10,000.00	(9,617.45)	9,617.45	0.00		0.00	Income from fixed penalty notices re Truancy etc - held to fund training and resources costs associated with this process. Funding of 2 additional posts	
Reserves	School Reorganisation Reserve	(330,017.00)	0.00	(330,017.00)	330,017.00	0.00		0.00		0.00	Monies carried forward as a reserve against the possible unfavourable balance on schools conversions to academy status	
Reserves	Trainee Social Worker Reserve	(101,852.52)	25,000.00	(76,852.52)	40,000.00	(36,852.52)	36,852.52	0.00		0.00	Reserve required for up skilling of workforce as SWs	
Reserves	PCT monies	(1,121,797.34)	1,121,797.34	0.00		0.00		0.00		0.00	Committed to budget strategy	
Reserves	Transforming Social Care Grant	(194,059.26)	100,000.00	(94,059.26)	94,059.26	0.00		0.00		0.00	Grant paid to LA's to implement Transformation to Social care service delivery including Personalisation etc	The committed balance meets current committed costs against the implementation of RAS and Transformation project posts
Reserves	Young Persons Substance Misuse	(13,081.00)	13,081.00	0.00		0.00		0.00		0.00	To be used to cover additional costs of DARs IT system and additional licences as part of transformation to whole system approach to IT systems in ASS.	
Reserves	Public Health Transition Grant	(29,204.73)	29,204.73	0.00		0.00		0.00		0.00	To offset pressures in 2015/16	
Reserves	Civil Resilience	(397.00)	397.00	0.00		0.00		0.00		0.00	To purchase a new generator	
Reserves	Legal Reserve	(60,135.83)	44,000.00	(16,135.83)		(16,135.83)		(16,135.83)		(16,135.83)	E34k grant received for personal search fees potential liability; balance for standards investigations and Legal Staffing	Fully committed
Reserves	R&B General Staffing	(363,574.52)	65,458.00	(298,116.52)	40,515.46	(257,601.06)	40,920.00	(216,681.06)	50,000.00	(166,681.06)	To support additional staffing costs as a result of Welfare Reform changes	

Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	April 2015 Opening		April 2016 Opening		April 2017 Opening		April 2018 Opening		April 2019 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19			
Reserves	Safeguarding Capacity Fund Investment	(80,771.00)	80,771.00	0.00		0.00		0.00		0.00	To offset pressures in 2015/16		
Reserves	ICT Equipment Reserve	(185,000.00)	145,000.00	(40,000.00)	40,000.00	0.00		0.00		0.00	To support equipment replacement costs for schools and the schools pricing model. Also to support development of the APP and the MFD contract.		
Reserves	Telford Loyalty Card Scheme	(26,203.34)	13,000.00	(13,203.34)	13,203.34	0.00		0.00		0.00	To fund costs associated with the TLC card.		
Reserves	Member Dvpt Reserve	(5,000.00)	5,000.00	0.00		0.00		0.00		0.00	To be spent on training and equipment in 2015/16		
Reserves	Galaxy Software Upgrade	(12,740.00)	12,740.00	0.00		0.00		0.00		0.00	To fund Galaxy Upgrade		
Reserves	Stirchley Library Refurbishment	2,079.10		2,079.10		2,079.10		2,079.10		2,079.10			
Reserves	Coalbrookdale Water Course	(103,750.74)	10,000.00	(93,750.74)	10,000.00	(83,750.74)	10,000.00	(73,750.74)	50,000.00	(23,750.74)	Coalbrookdale Water course drawdown as and when required each year.	This is a commuted sum for Coaklbrookdale Water Course - each year monitoring is done & once in every 4 years works are done to maintain water courses. Work last completed in 14/15.	
Reserves	Creative Development	(14,810.24)	14,810.24	0.00		0.00		0.00		0.00		Fully committed in 15/16	
Reserves	Stoneyhill Landfill	(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)	This is for a commuted sum for the cleaning & maintenance of the silo's (golf balls) and as a contingency in case the technology does not ensure the quality of the "stuff" piped out to STW system. This was a new design to deliver the ongoing savings, the revenue budget just covers the annual running / monitoring costs. The budget will not cover the costs of cleaning. When it is required in the future -ESAB.	This needs to be held for costs we will incur in future years, although they are unknown at this point in time.	
Reserves	Budget Strategy Reserve	(84,720.00)		(84,720.00)		(84,720.00)		(84,720.00)		(84,720.00)	Balance was held for new Planning System development, however the current system is being upgraded to enable the latest version of GIS. The system will be reviewed as to its sustainability.	This can be released, no known commitments.	
Reserves	Capacity Fund - Skills Analysis	(24,856.00)		(24,856.00)		(24,856.00)		(24,856.00)		(24,856.00)		This can be released, work completed.	
Reserves	Capacity Fund - Targeted Marketing Campaign	(65,203.52)	65,203.52	0.00		0.00		0.00		0.00	Destination Telford .	Fully committed in 15/16, supplementing Destination Telford.	
Reserves	Capacity Fund - First Point for Business	0.00		0.00		0.00		0.00		0.00		Fully committed in 14/15.	
Fund Balances	Destination Telford	(25,897.85)	25,897.85	0.00		0.00		0.00		0.00	Destination Telford .	Fully committed in 15/16, supplementing Destination Telford.	
Reserves	Bikeability	(13,359.53)	13,359.53	0.00		0.00		0.00		0.00	Taken in 15/16 to mitigate the Road Safety income target.	Fully applied in 15/16..	
Reserves	Car Parking Enforcement Balances	(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)	Was used to fund A Brookes post which is now vacant. Could be used to assist with the Permits invest to save proposal.	Can be released, no known commitments	
Reserves	Development Control Highways	(76,276.00)	37,948.00	(38,328.00)	38,328.00	0.00		0.00		0.00	Balance trfd from YBAC Capacity fund £37,948 15/16 and £38,328 16/17 to fund .Highways Development Control officer.	Will be fully applied by 16/17	
Reserves	Severe Weather Recovery Grant	(20,598.00)	20,598.00	0.00		0.00		0.00		0.00		Awaiting confirmation of any commitments in 15/16.	
Reserves	Environmental Services Gen Reserve	(16,000.00)	16,000.00	0.00		0.00		0.00		0.00	Granville House refurbishment	Transfer to accommodation reserve.	
Reserves	Leisure Grant Holding Account	(31,716.65)	31,716.65	0.00		0.00		0.00		0.00		Committed to in year position	
Reserves	Sponsorship Fund	(20,305.31)	6,000.00	(14,305.31)	6,000.00	(8,305.31)		(8,305.31)		(8,305.31)		Funding for Apprentice.	
Reserves	Local Plan Enquiry	(50,000.00)	50,000.00	0.00		0.00		0.00		0.00	Public Examination of Local Plan	Fully committed in 15/16	
Reserves	Planning Appeal costs	(46,623.50)		(46,623.50)		(46,623.50)		(46,623.50)		(46,623.50)		Kynnersley Barns legal costs. Case now closed and no further requirement against reserve.	

Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	April 2015 Opening		April 2016 Opening		April 2017 Opening		April 2018 Opening		April 2019 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19			
Reserves	Waste Contract Sinking Fund	(754,387.51)	100,000.00	(654,387.51)	376,700.00	(277,687.51)	277,687.51	0.00		0.00	Enable the ongoing management of new Waste contract.	Fully committed for new Waste contract. Expected shortfall against budget of £376k in 16/17.	
Reserves	Pride in Your Community	(902,665.50)	489,274.50	(413,391.00)	413,391.00	0.00		0.00		0.00	Balance of Urban Tree scheme funding from '£400k pot' to be used in 14/15 against Pride Urban Tree scheme. 750K C'd into 15/16 to fund 2nd year Pride Revenue expenditure	Fully committed for PRIDE. Movement in 15/16 includes drawdown of additional £750k funding.	
Reserves	Transport Reserve - Subsidised Bus Route	(97,000.00)	97,000.00	0.00		0.00		0.00		0.00		Fully applied in 15/16 to fund Subsidised route pressure.	
Reserves	SITA Pass Through Costs	(171,819.00)	171,819.00	0.00		0.00		0.00		0.00	Balance set aside for Disputed Cost Pass through costs and legal expenses on EWAE	This is to fund a claim from Sita, relating to a contribution to landfill works. This is currently subject to investigation and response between lawyers. This has been retained for payment, which is still unknown at this point in time. The value held has been based upon a formula and is adequate.	
Reserves	Telford Town Park Commuted Sums	(129,690.00)	73,283.35	(56,406.65)		(56,406.65)		(56,406.65)		(56,406.65)	Balance to be built up over 10 years to fund management and maintenance plan for further ten years after 2020.	15/16 - £100k required to reduce Income pressures in Leisure. However will leave pressure in future years to enable maintenance plan.	
Reserves	Parish Environmental Teams	(25,137.35)	15,000.00	(10,137.35)	5,000.00	(5,137.35)	5,137.35	0.00		0.00	Balance of Parish Contribution to scheme to fund materials/works. EEAW R9408	Expected draw down against parish material spend and additional apprentice costs over and above Parish £5k contribution.	
Reserves	Transport	(168,830.00)	60,000.00	(108,830.00)	40,000.00	(68,830.00)	40,000.00	(28,830.00)	28,830.00	0.00	Costs for purchase of Sat Nav system for Fleet vehicles and logical system change and for replacement vehicles and adaptations	Clive says needs to be retained by him for purposes identified	
Reserves	Transport Review Reserve	(61,000.00)	61,000.00	0.00		0.00		0.00		0.00	Costs of relocation of staff associated with new accommodation . Remainder to offset Children's 15/16 position		
Reserves	SEN Review Reserve	(100,000.00)	65,000.00	(35,000.00)	35,000.00	0.00		0.00		0.00	To fund additional costs associated with review and introduction of EHCP including external support		
Reserves	Homelessness Review Reserve	(118,500.00)	78,500.00	(40,000.00)	40,000.00	0.00		0.00		0.00	Identified to deal with Housing Options staffing - over 2 years and remainder used in 15/16 position		
Reserves	Substance Misuse Bond Scheme	(24,351.81)	5,000.00	(19,351.81)	5,000.00	(14,351.81)	5,000.00	(9,351.81)	5,000.00	(4,351.81)	Supports charitable housing options e.g Manning Place & KIP project		
Reserves	New Technology	(140,009.92)	100,000.00	(40,009.92)	20,009.92	(20,000.00)		(20,000.00)		(20,000.00)	Committed to Financial Management system including future procurement costs		
Reserves	Catering Control Account	(47,913.30)	26,507.00	(21,406.30)	21,406.30	0.00		0.00		0.00	Funding to Support Lets Cook Project and cashless catering system		
Reserve	Organisational Improvement Fund	(188,239.64)	0.00	(188,239.64)		(188,239.64)		(188,239.64)		(188,239.64)	To fund Organisational Improvement Programme		
Reserves	Cooperative Council Initiatives	(36,058.95)		(36,058.95)		(36,058.95)		(36,058.95)		(36,058.95)	Used for the Early Bird Pilot Schemes in schools in 2014/15		
Reserves	Mystery Shopper Exercise	(560.00)		(560.00)		(560.00)		(560.00)		(560.00)	Committed		
Reserves	Library Self Service Facilities	(110,756.42)	103,239.00	(7,517.42)		(7,517.42)		(7,517.42)		(7,517.42)	Used to fund replacement of public access PC's within Libraries, set up and Internet Cafe and support Library Self Serve facilities		
Reserves	Crisis Assistance Reserve	(178,308.43)	130,318.00	(47,990.43)	37,000.00	(10,990.43)	10,990.43	0.00		0.00	To support work on crisis assistance scheme including a grant to the CAB and Just Credit union.		
Reserves	Graphic Design - PC Replacement Reserve	(4,959.69)		(4,959.69)		(4,959.69)		(4,959.69)		(4,959.69)	For replacement equipment		
Reserves	Corporate Communications Reserve	(17,550.00)	11,500.00	(6,050.00)		(6,050.00)		(6,050.00)		(6,050.00)	To fund Gov Connect and training costs.		
Reserves	People Services Reserve	(40,000.00)	40,000.00	0.00		0.00		0.00		0.00	Funding for scanning of personnel files.		
Reserves	Delivery & Planning Reserve	(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)	IEWM Grant to fund training costs		
Reserves	Register Office	(2,137.71)	2,000.00	(137.71)		(137.71)		(137.71)		(137.71)	£4k for replacement headstones and the balance is for back scanning of registration documents		
Reserves	Finance capacity reserve	(78,745.62)	25,000.00	(53,745.62)	25,000.00	(28,745.62)		(28,745.62)		(28,745.62)	To provide specialist advice and additional hours.		
Reserves	Modern Apprentice Reserve	(15,000.00)	12,797.00	(2,203.00)		(2,203.00)		(2,203.00)		(2,203.00)	To fund modern apprentices across the 3 accountancy teams (no base budget)		
Reserves	Commercial Development Reserve	(25,000.00)		(25,000.00)		(25,000.00)		(25,000.00)		(25,000.00)	Professional support for commercial initiatives, such as the WOC		
Reserves	Treasury Management Reserve	(140,000.00)	50,000.00	(90,000.00)	50,000.00	(40,000.00)	40,000.00	0.00		0.00	Set aside to provide support for any technical advice needed and to assist with the change of Council bank		
Reserves	Library Book Fund	(1,250.00)	1,250.00	0.00		0.00		0.00		0.00	For the purchase of new books in Southwater		
Reserves	Land Charges	(96,255.00)	(28,780.00)	(125,035.00)		(125,035.00)		(125,035.00)		(125,035.00)	To support the pricing review of Land Charges. This is likely to be used to support the costs of litigation		
Reserves	Care & Enablement Reserve	(53,785.00)	53,785.00	0.00		0.00		0.00		0.00	To support restructure proposals		

Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	April 2015 Opening		April 2016 Opening		April 2017 Opening		April 2018 Opening		April 2019 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/ 3/ 2015	Estimated Change during 2015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19			
Reserves	Transformation Posts Reserve	(254,434.73)	200,000.00	(54,434.73)	54,434.73	0.00		0.00		0.00	To support additional posts for transformation and 44k to 2015/16 position.		
Reserve	Public Health Grant	(112,162.17)	112,162.17	0.00		0.00		0.00		0.00	Full use in 2015/16 budget		
Reserves	Joint Arrangement	(3,967.00)	3,967.00	0.00		0.00		0.00		0.00	Small reserve as a one off for services in Joint Arrangement - currently awaiting notification from Shropshire of results of their review of costs - will be used in revenue account in year.		
Reserves	Early Help Partnership	(69,263.53)	69,263.53	0.00		0.00		0.00		0.00	Used to offset in year grant cut		
Reserves	Childrens Services Reserves - Early Intervention	(179,157.19)	179,157.19	0.00		0.00		0.00		0.00	Used in budget for 2015/16 and to offset 2015/16 position		
Reserves	BCF Risk Reserve	(300,590.97)	125,000.00	(175,590.97)	150,000.00	(25,590.97)	25,590.97	0.00		0.00	To support development and transitional costs of such developments within BCF. 100k to offset 2015/16 position.		
Reserves	Change Programme	(376,074.78)	176,074.78	(200,000.00)	150,000.00	(50,000.00)	50,000.00	0.00		0.00	To support work on CIP and Target Operating Model changes including locality working.100k to offset 15/16 position.		
Reserves	ICT Infrastructure	(170,000.00)	70,000.00	(100,000.00)	100,000.00	0.00		0.00		0.00	Required for upgrade to Abacus and work to integrate 2 main Adult systems - Carefirst & Abacus. Expansion of mobile working.		
Reserves	Workforce Development	(100,000.00)	50,000.00	(50,000.00)	50,000.00	0.00		0.00		0.00	This is required to ensure new ways of working re assessment & support planning are embedded in day to day working. Changes (as agreed with CCG) in relation to brokerage and CHC referrals also require training		
Reserves	Tennis Centre Sinking Fund	(26,222.02)		(26,222.02)		(26,222.02)		(26,222.02)		(26,222.02)	Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year. £13k sinking fund contribution budget pa had been taken in previous savings rounds.	14/15 - included as one off saving in year, however was not required at Outturn as better position than anticipated. Will create pressure when equipment needs replacing/refurbing going forward.	
Reserves	Procurement Advice reserve	(23,561.00)	10,000.00	(13,561.00)	13,561.00	0.00		0.00		0.00	For procurement staffing		
Reserves	World Heritage Lottery Fund	(5,000.00)	5,000.00	0.00		0.00		0.00		0.00		We think the work was completed in 13/14, but have not received charge from IGBT. World Heritage Management plan to cover costs of Heritage Lottery Fund bid.	
Reserves	Young Persons Substance Misuse	(74,891.17)	74,891.17	0.00		0.00		0.00		0.00	Used to offset in year grant cut		
Reserves	Carers Services	(95,141.24)	95,141.24	0.00		0.00		0.00		0.00			
Reserves	Accommodation	0.00	(100,000.00)	(100,000.00)	100,000.00	0.00		0.00		0.00	Accommodation moves		
Total Specific Earmarked Service Balances		(9,786,449.84)	5,224,286.28	(4,562,163.56)	2,479,865.91	(2,082,297.65)	720,467.72	(1,361,829.93)	88,830.00	(1,272,999.93)			
Overall Total		(77,090,077.09) 0.00	13,954,100.78	(63,135,976.31) 0.00	5,008,964.73	(58,127,011.58) 0.00	3,719,832.73	(54,407,178.85) 0.00	4,454,110.00	(49,953,068.85) 0.00			

Section 106 Monetary Contributions Received and Expended for Education Purposes 01/04/15 to 31/01/16

Planning Application No	Scheme	Bal brought forward	Income	Expenditure	Bal Carried forward	Project
W2010/0011	Wakins Nursery Apley Castle	-30232.48	0.00	0.00	-30232.48	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
W2005/0961 & TWC/2012/0408	Marshbrook Way Donnington	0.00	0.00	0.00	0.00	Towards Muxton 3 class extension - completed
W2009/1015	Land at Church Farm Yard	0.00	0.00	0.00	0.00	Preston St Lawrence CE Primary refurb - completed
TWC/2012/0320 & TWC/2013/0720	Land off Sommerfield Road	-121232.73	0.00	0.00	-121232.73	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
TWC/2011/1037	Land at The Walker Institute (Phase 2)	-37897.81	-137.42	84.46	-37950.77	Will be used for expansion in North East Telford - project yet to be confirmed.
W2006/1347	Leegomery Centre	-27545.67	0.00	0.00	-27545.67	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
TWC/2013/0938	Land to the South Side of Holyhead Rd	-50016.84	-372.84	0.00	-50389.68	Will be used for expansion in North West Telford - project yet to be confirmed.
W2004/0981 & TWC/2013/0096	KMC (comm.centre/sch design)	-3.45	0.00	3.46	0.01	Meadows Primary Extension - completed
W2005/1290	Dawley Bingo Hall	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
W2005/0659 & W2007/1161	Land @ Britannia Way	-206745.54	0.00	0.00	-206745.54	To be used within vicinity of development - HLC
TWC/2010/0638	Land at The Pidgeon Box	-53830.04	0.00	0.00	-53830.04	Will be used for expansion in North East Telford - project yet to be confirmed.
W2007/1732	Capewell Works	-39810.58	-308337.68	303208.65	-44939.61	Teagues Bridge Primary - 3 class & hall extension - completed
W2005/0661	Parkdale - Hadley	-27323.62	0.00	0.00	-27323.62	To be used within vicinity of development - HLC
TWC/2012/0371	Land at Muxton C2 & C3	-75100.14	-30598.82	0.00	-105698.96	Towards Muxton 3 class extension - completed
TWC/2010/0147	Land @ Holyhead Rd (former garage)	0.00	0.00	0.00	0.00	Meadows Primary Extension - completed
TWC/2012/0211	Land at Maynards Croft Newport	-576.63	-36000.00	0.00	-36576.63	Newport Infant 2 class extension project - completed
TWC/2010/0722	Redhill - Education	4.88	-82066.00	0.00	-82061.12	Will be used for expansion in North East Telford - project yet to be confirmed.
TWC/2012/0609 & TWC/2014/1124	Woodlands Primary Redevelopment	0.00	-132351.00	40000.00	-92351.00	Woodlands Demountable (15/16) & John Fletcher Primary Works (16/17)
TWC/2012/0787	Former White Hart Pub	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
TWC/2013/0297	Land off Edgmond Rd Newport	-206279.83	0.00	0.00	-206279.83	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
TWC/2014/1122	Land at junction of Stirchley Ave Randlay	0.00	-40069.00	0.00	-40069.00	Randlay Primary School Kitchen Works (16/17)
W2006/0608	Land off Church Walk Donnington	0.00	0.00	0.00	0.00	Muxton 3 class extension - completed
TWC/2013/0083	Land at Hadley Park West (Oakehampton Rd)	-123448.71	0.00	0.00	-123448.71	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
TWC/2012/0886	Land at 121-125 Hadley Park Road	-39372.42	0.00	0.00	-39372.42	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
TWC/2010/0089	Highfield House	-21279.14	0.00	21305.59	26.45	St Patricks Primary School refurbishment
TWC/2014/0333	Land at Corner of Stafford Rd/A41 Newport	-73717.92	0.00	0.00	-73717.92	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
TWC/2010/0828	Lawley Primary New School	-333490.00	-150657.90	333333.33	-150814.57	1st installment re new School at Lawley
TWC/2014/0360	Land at Heath Hill/Balls Hill	-0.27	0.00	0.27	0.00	Cotribution to Captain Webb Primary Extention
TWC/2014/0882 & TWC/2015/0177	Park Road Malinslee	0.00	-52364.63	0.00	-52364.63	Old Park Primary Extension (16/17)
TWC/2015/0028	Land at Frome Way Donnington	0	-98750	0	-98750.00	Teagues Bridge Primary - 3 class & hall extension - completed

Totals	-1467898.94	-931705.29	697935.76	-1701668.47

-1701668.47

To 31/01/16	0.00

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

BACKGROUND

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

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

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

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

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

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

The Accounts and Audit Regulations 2015 – Regulation 4 requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.

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

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

additions/withdrawals and the estimated closing balance. This is included as Appendix 12 of this report.

ROBUSTNESS OF ESTIMATES

Overview

Since 2010 the Council has faced unprecedented cuts in Government grant and over the past 7 years has made £80m of ongoing savings to manage within its reducing resources. The Government will continue to cut public spending as it aims to meet its target of eliminating the national budget deficit and while some part of the sector, such as health and defence, are protected further cuts will inevitably fall on local authorities as clearly set out in the Comprehensive Spending Review announcement in November 2015. Indeed DCLG's Departmental Expenditure Limit will be cut by 53% in cash terms (more after the effect of inflation) over the remainder of this Parliament.

The projected budget gap over the next two years for the Council is over £30m which will be met through a package of savings measures. It is now inevitable that some of the cuts will have significant impacts on local people and the Council is committed to extensive consultation and is keen to work with partner organisations to identify alternative options for service delivery. In parallel the Council is committed to investing in Telford's future.

The Council has specifically prioritised Adult Social Services and Children's Safeguarding. After implementing the Government's new 2% "social care precept" the budget for Adult Social Services will increase by £1.6m next year; and Children's Safeguarding will increase by £1.4m to reflect the pressures being experienced by these services. This is not to say that changes are not required in these services and longer-term savings are required which will be achieved from new operating models.

The Council's medium term service and financial strategy has 4 core elements which will take the organisation forward and deliver budget savings:

- Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services,
- Challenging and changing, reviewing and reimagining the way we do things,
- Reducing our dependency on Government grants,
- Being a modern organisation with modern practices and where we always get the basics right.

These themes are expanded upon in the "Being The Change" report issued by the Managing Director in December 2015 which also implemented a new Senior Management Team structure to drive the organisation forward..

Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough. Growth will deliver increased numbers of houses and businesses in the borough

which will result in additional council tax, new homes bonus (although the New Homes Bonus system will be reviewed by the Government in 2017/18) and business rates and whilst some additional costs will arise from a larger population, the net additional income generated will contribute towards helping to reduce the level of cuts needed.

2016/17 is the fourth year in which local government funding is provided through the Business Rates Retention Scheme. Under this system, authorities retain 50% (49% for Telford & Wrekin Council and 1% for the Combined Fire Authority) of locally collected business rates and 50% of any growth in business rates. This brings opportunities, in terms of the council directly benefiting from business rate growth, but also increased risk, in terms of lost income if businesses close or move out of the area or claim significant empty property reliefs. Ensuring business rates income is maximised is a key priority for the Council which is being closely monitored. The announcement to move to 100% business rates retention by 2020 is in principle welcomed however we await the technical consultation, which is due during 2016/17, for further details to fully understand the implications for us. The outcome of the 2017 Revaluation, to be implemented in April 2017, could also have implications if the outcome results in yields being re-distributed on a national basis.

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

Overall therefore, given the continued delivery of savings which now total over £80m, the long-term service redesign, particularly in relation to Adults and Children's services, the commercial approach being adopted, and the investment being made in the borough, it is considered that the Council is pursuing a sound financial strategy in the context of the most prolonged and challenging financial position it has ever faced due to the combined effect of Government grant cuts and increased service pressures.

The 2016/17 Service & Financial Planning Strategy has been informed by:

1. Impact Assessment and Risk Management

We are continuing to develop and deliver savings; with the high level of grant cuts some impact on service delivery is inevitable. A commitment has been given to protect delivery of the most essential services for vulnerable children and adults. Initial impact assessments have been undertaken where possible and the most challenging savings have been scheduled for 2017/18 rather than 2016/17 to allow more detailed consultation to take place. Where required, this will include more targeted consultation with residents, service users and stakeholders to help us understand the impact that the changes may have on residents and identify ways to mitigate any negative impacts. The Council is also seeking suggestions from local people on ways to save money and is

keen to work with partner organisations to identify alternative service delivery options if possible. The environmental impacts of budget proposals have also been considered, and overall, on balance, the environmental assessment of the proposals is positive. Some proposals are likely to have an economic impact as spending by the council is reduced. Final decisions are informed by extensive consultation with the community in general but also where appropriate with specific groups of service users. It seems inevitable that the level of financial risk will increase both to individual services and the operation of the council as a whole and this will be common to local authorities across the country and exacerbated by the move to 100% local retention of business rates. Cumulative risk attached to adopting an increasingly commercial approach will also need to be kept under review and key commercial decisions will continue to be subject to development of business cases and Cabinet approval

A differential approach to savings targets has been taken by Cabinet Members and Directors within their service areas, rather than an across the board percentage reduction, to recognise the relative demands, risks, opportunities and challenges faced by different Council services.

We have set aside a revenue contingency of £2.776m next year; in addition a further £2.5m one off budget facility has also been set aside specifically for Adult Social Services and one off resources of £0.5m have been identified to meet any unforeseen cost pressure in Children's Safeguarding. Additional funding is being made available to increase the budget for adults by £1.6m next year and for children's safeguarding by £1.4m.

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

2. The Financial Management Process

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

outstanding to the Council and agree actions to obtain payment as quickly as possible.

3. The Budget Setting Process

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

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

2016/17 Budget Assumptions and Considerations:

Given the difficult financial position the Council faces, a tight line has been taken on planning assumptions for next year but this is mitigated by the inclusion of the general revenue contingency of £2.8m and one-off funding of £2.5m for Adult Social Services and £0.5m of service balances held for Children's Safeguarding. A risk assessed review of reserves and balances has been undertaken which identifies uncommitted balances of £2.4m prior to any remaining underspend at year end which should increase usable balances to around £4.5m given current projections..

<u>Inflation</u>	
Pay Award	1% has been included for pay awards for 2016/17 and 2017/18 and 1.5% for 2018/19, including teachers pay. If the estimates are inaccurate the actual level of pay award will be allocated to service budgets and any adjustment made to the budget model which will either increase or reduce the savings requirement.
Apprentice Levy	An allowance of 0.5% of the pay bill has been included to meet the cost of the Apprentice Levy wef 1 April 2017.
Employer's Pension Contribution	As anticipated, the triennial evaluation of the pension fund at 31 March 2013 identified a pension fund deficit. Following discussion and negotiation with Pension Fund Officers, it has been agreed that the Council will pay an employers contribution rate of 12.6% plus a fixed lump sum amount each year, with a deficit recovery period of 25 years being set. The lump sum payment in 2016/17 will be £3.2m. The lump sum will continue to rise in subsequent years, although

	the next triennial evaluation is due at 31 March 2016 (and effective from 1st April 2017) at which point the deficit position will be reviewed. As the pension fund position has moved from being 79% funded to 72% funded we also anticipate an increase in the employers rate wef 1 April 2017, following the triennial evaluation, and £1.5m has been included in the 17/18 budget to accommodate this cost. Employer's teachers pension contributions increased in September 2015 from 14.1% to 16.5%, and so the full year impact of this will be felt in financial year 2016/17
Employer's National Insurance Contribution	The abolition of contracting-out and the introduction of a Single State Pension wef April 2016 results in a loss of NI rebate to the Council. Estimated costs to the Council and schools have been included in budget projections.
Non-Pay budgets	The abolition of contracting-out and the introduction of a Single State Pension wef April 2016 results in a loss of NI rebate to the Council. Estimated costs to the Council and schools have been included in budget projections.
Contingencies	A provision for known contractually committed inflation has been included. No other allowance for non-pay inflation has been made as budgets are cash limited. With the prevailing relatively low rate of inflation this is a more sustainable strategy than if inflation were to rise significantly but the position and pressures that this policy places on service budgets will be kept under review through regular financial monitoring. There is a general contingency of £2.776m plus a further one off budget of £2.5m specifically for Adult Social Services and £0.5m for Children's Safeguarding. The Council also currently has around £2.4m available balances as part of its medium term financial strategy although this will increase by any otherwise uncommitted underspend in the current financial year.
Service Pressures	The difficult economic situation has an impact on the community and results in an increase in demand for council services. The key service pressures identified for the medium term relate to Adult Social Services and Children's Safeguarding. Children's Safeguarding– there are currently 296 Children in Care (at 6.1.16) and financial monitoring shows a projected

	overspend of £1.8m in the current year. Safeguarding children from harm and neglect is the Council's top priority and the 2016/17 budget includes new ongoing revenue investment of £1.4m in this area. The Service Area has also identified £0.5m one off resources to meet any unexpected cost pressures. A cost improvement plan is in place to address areas of pressure to ensure that costs are contained within the increased base budget as far as possible. The position will be continually monitored and reviewed again as part of the 2017/18 service and financial planning process. Adult Social Services – the Council has consistently prioritised the protection of vulnerable people and the level of cuts made to the Adult Social Services budgets has been significantly less than other services. The Council will use the Government's new "Social Care Precept" of 2% on council tax bills which will generate £1.1m to be re-invested into Social Care to meet cost pressures. In total, the 2016/17 Adult Social Services budget will be increased by £1.6m. While we are committed to meeting the assessed needs of vulnerable adults changes will be needed to the way services are provided to deliver savings in future years. One-off funds of £2.5m have been ring-fenced for Adult Social Services in recognition of the pressures being faced.
Central Government Funding / Local Government Resources Review	The Business Rates Retention Scheme replaced the current system for funding Local Government in April 2013. This allows local authorities to retain 50% of locally collected business rates and going forward 50% of any growth in business rates (49% for Telford & Wrekin Council and 1% for the Combined Fire Authority). There are opportunities in relation to business rates growth but also risks in terms of reduction in business rate income. The amount included for business rates in 16/17 has been based on local information, which we consider to be more realistic than the national estimate used by the Government in their settlement figures and will need to be closely monitored throughout the year. The level of business rates appeals if of particular concern, with £139m rateable value currently under appeal. The Council has made prudent provision to meet the cost of successful appeals. The outcome of the 2017 business rates revaluation, to be implemented in April 2017, could also impact on the funding available to the Council however at present there is no detailed information available.
Council Tax	The Council will increase council tax by the 2% "Social Care

	Precept” and by an additional 1.2% (3.2% in total) to recompense for the failure of the Government to offer any further council tax freeze grants. Confirmation of the referendum limit thresholds for 2016/17 (4%) was received in late December so there is no risk of the planned council tax increase being above the threshold set and the council therefore incurring additional costs of holding a referendum and potential re-billing costs.
Council Tax Support	Telford & Wrekin’s Local Council Tax Support (CTS) Scheme was approved by Council in January 2016. A council tax hardship fund of £0.030m is available to award discretionary discounts in cases of extreme financial hardship. Council tax support is paid as a council tax discount and there is a greater financial risk than under the Council Tax Benefit System as claimants classed as “non-vulnerable” who previously received 100% benefit will now have some council tax to pay. Since CTS was implemented in April 2013 claimant numbers have reduced, reflecting the improving economy and collection rates have remained strong.
Interest Rates	Base rates have remained at 0.5% all year; the next rise is expected towards the end of 2016 at the earliest. The Bank of England’s Quantitative Easing programme remained at £375bn. Our investment and borrowing strategies for 2016/17 are set within this context. The assumptions for new borrowing are 3.0% in 2016/17 and 4.0% in subsequent years. A flexible approach to borrowing will be taken, in consultation with our treasury advisors, consideration will be given to affordability, maturity profile of existing debt, interest rates and refinancing risks as well as borrowing source. Maximum investment levels with counterparties are set to ensure prudent diversification and following strict investment criteria. Full details are included in the Treasury Management Strategy report included in this suite of service and financial planning reports. One of the primary objectives is to reduce the Council’s exposure to risk while at the same time maximising returns. In the current interest rate environment and with considerable uncertainty on the financial robustness of counterparties, it is more advantageous to reduce investment levels and therefore reduce borrowing requirements. The investment portfolio is monitored on a regular basis and advice is received from independent professional treasury advisors.
Treasury Management	The Treasury Strategy for 2016/17 follows the requirements of the CIPFA Treasury Management Code of Practice and clearly identifies the various exposures to risk and strategies

	in place to minimise this. The Audit Committee has a role to review and monitor the Council's treasury management arrangements which includes policies, procedures and the management of risk. The 2016/17 Treasury Strategy was presented to Audit Committee on the 26 January for their consideration and comments and was supported by them. The Committee will monitor progress during the year.
Dedicated Schools Grant (DSG) Education Services grant (ESG)	The figure allocated by the DfE in December 2015 for 2016/17 Dedicated Schools Grant was £132.349m (including academies). However the Early Years element of DSG will be adjusted for actual numbers of early years pupils in January 2016 and January 2017 and so will be finalised retrospectively in Summer 2017. Compared to Local Authority funding, school funding is comparatively protected from central government funding cuts. The amount paid for each pupil in a maintained school for ESG reduces from £87 in 2015/16 to £77 in 2016/17. In addition, any conversions of maintained schools to academies will have an adverse impact on Council funding as this element of funding will go directly to the academy from the date of conversion. The Government have also announced an intention to reduce ESG by nearly 75% (£600m from a 2015/16 total of £815m) which implies that steeper reductions in this grant should be expected from 2017/18 onwards.
Estimates on the level and timing of capital receipts	The revenue budget and capital programme assume around £51.5m anticipated future capital receipts over the medium term planning period. Any shortfall or delays in generating expected receipts or in the amounts generated will need to be taken into account in future service and financial strategies. This could require scaling the capital programme back, re-phasing schemes or entering in to additional prudential borrowing which would necessitate further cuts to services. Delivery of projected receipts is monitored on a monthly basis as part of overall financial monitoring and reported to Cabinet quarterly. The HCA Land Transfer Agreement also on the agenda for this meeting will also need to be closely monitored and spend on bringing sites to market managed in accordance with experience of generating receipts to minimise exposure to potential risk. The Government have offered some flexibility on the use of capital receipts generated for a 3 year period from April 2016. New receipts generated during this period may be used to fund the revenue costs of service reform projects so the

	Efficiency Plan and Strategy included as appendix 18 to this report has been prepared in order to ensure that the Council may take advantage of this flexibility offered by the Government whilst recognising that in doing so revenue balances would be preserved but debt levels would be increased.
Minimum Revenue Provision (MRP)	The policy in relation to MRP is set out in the Treasury Management Strategy Report. The rules around the calculation of the cost of borrowing that must be charged to the revenue account – the minimum revenue provision (MRP) - have been prudently applied in setting the 2016/17 budget strategy. The MRP policy is broadly unchanged from 2015/16, however within the existing policy we are changing the way we are charging MRP in respect of historic borrowing and PFI borrowing. Historic borrowing was previously calculated on a 4% of reducing balance basis; it will now be charged at 2% over 50 years which pays the debt off. MRP on the Council's PFI contract was previously charge in line with the PFI agreement (28 years) and will now be charged over the life of the asset (60 years) on an annuity basis, in line with prudential borrowing. Details of the proposed changes were included in Appendix 13 of the service and financial planning report considered by Cabinet on 7 January 2016. These changes have been agreed in principle with KPMG, our external auditors. Until the accounts for 2015/16 have been signed off by KPMG there is a risk over the assumed level of benefits. Detailed calculations will be audited as part of the 2015/16 final accounts audit in July 2016. The changes will generate savings of £5.3m in 2015/16, £5.7m in 2016/17, £5.3m in 2017/18 and £2.4m in 2018/19. The saving remains broadly at this level until 2033/34 before ultimately becoming a cost. Allowing for the time value of money there is a net benefit to the Council. The impact of the MRP change has been included in the Service & Financial Planning Strategy. The changes will increase the level of borrowing over the medium term as less MRP is set aside however by the end of the life of the asset the impact on borrowing is nil.
Prudential Borrowing / Prudential Indicators	The use of prudential borrowing is in line with the capital programmes approved by full Council. Prudential Indicators are approved as part of the budget strategy (see separate report on this agenda) and are monitored and reviewed on a regular basis.

Single Status	The Single Status process is in progress with planned implementation during 2017/18. An annual provision equal to 4% of the relevant pay bill has been set aside in the accounts for the 4 years 2007/08 to 2010/11. It is now considered that there is adequate funding in the provision and no further contribution will be made and potentially if a locally designed scheme is implemented some of the funding set aside may be available to be released. The additional ongoing budget is included in the budget strategy from 2017/18 in line with the implementation date although has been reduced to reflect the reduced risk by the movement of employees on fixed points to salary grades and the reduction in the workforce following restructures. It now stands at £1.445m pa and after meeting the cost of the Government's new national "living"/minimum wage will fall to £0.9m. There is possible exposure to liabilities from back pay and equal pay claims which along with any other one-off costs (such as a potential period of pay protection for employees who see their pay reduced) could be met from the one-off provision.
Savings	The Council has an excellent track record of delivering savings in accordance with agreed plans. Over the past 7 years savings totalling over £80m have been delivered. There is a schedule of savings proposals included in the strategy at Appendix 2 which will deliver savings over the medium term planning period. Total savings are expected to reach well in excess of £110m by 2018/19. There is a reserve set aside to meet severance costs. In order to support the delivery of ongoing savings £3m has been added to this reserve and £3m to the Invest to Save/Capacity Fund, largely arising from the debt rescheduling benefits (MRP changes) mentioned above.
Financial Risks inherent in any new funding partnerships, major outsourcing deals or major capital developments	There are a number of major capital projects that have been identified which require careful project management and monitoring during 2016/17 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts and future government funding levels for the council and its public sector partners. These include the Housing Investment Programme and Building Schools for the Future programme.
The availability of other funds to deal with major calls on	General reserves or other funds may have to be used temporarily and restored if revenue contingencies, management and policy action is insufficient to deal with a major issue. The Council has evaluated the risks it faces against available balances as outlined earlier in this appendix

contingencies	and concluded that around £2.4m is available to use in the overall budget strategy; there is no proposed use of general balances in the Administration's strategy for 2016/17. Current projections for 2015/16 indicate that over £2m will be available to increase useable balances by at year end. In addition the Council could review capitalisation of expenditure charged to revenue and seek to make maximum use of the new flexibility on the use of capital receipts offered by the Government.												
The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc.	The Council's approach to sustaining its overall sound financial position is covered in a number of sections of this Appendix. The overall projected net indebtedness position at 31 December 2015 was £130.4m; net additional prudential borrowing anticipated in 16/17 is £53.1m, although a significant element of this relates to the Housing Investment Programme and PIP investments which will generate a commercial return greater than the cost of associated debt charges. The total reliance on capital receipts in the medium term strategy is £51.5m in line with profiled disposals (additional information is provided in both the Capital Programme and Treasury Management Strategy Reports). The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits and running down investment exposure while rates available for new investments are very low. The assumed council tax collection rate for 2016/17 onwards is 98.75%. For each 1% not collected the cost is approximately £0.539m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year. In recent years collection has outperformed projections allowing use of a council tax surplus as part of next year's strategy. Cumulative collection rates to date for recent years are <table data-bbox="778 1547 1066 1771"> <tbody> <tr> <td>2010/11</td><td>99.59%</td></tr> <tr> <td>2011/12</td><td>99.51%</td></tr> <tr> <td>2012/13</td><td>99.29%</td></tr> <tr> <td>2013/14</td><td>98.92%</td></tr> <tr> <td>2014/15</td><td>98.13%</td></tr> <tr> <td>2015/16*</td><td>92.48%</td></tr> </tbody> </table> Recovery for all years is projected to be over 98% finally. *as at 31 January 2016 with 2 months until year end. Close monitoring of the impact of CTS on collection rates will continue during 2016/17.	2010/11	99.59%	2011/12	99.51%	2012/13	99.29%	2013/14	98.92%	2014/15	98.13%	2015/16*	92.48%
2010/11	99.59%												
2011/12	99.51%												
2012/13	99.29%												
2013/14	98.92%												
2014/15	98.13%												
2015/16*	92.48%												

The authority's track record in budget and financial management	The Council continues to demonstrate extremely strong financial management with outturn being very close to the net budget set and no overspends during the previous 8 years: • 2007/08 – underspent by £0.300m (0.27% of budget) • 2008/09 - underspent by £0.366m (0.31% of budget) • 2009/10 – underspent by £0.332m (0.27% of budget) • 2010/11 – underspent by £0.083m (0.07% of budget) • 2011/12 – underspent by £1.843m (1.42% of budget) • 2012/13 – underspent by £0.055m (0.04% of budget) • 2013/14 – underspent by £0.099m (0.07% of budget) • 2014/15 – underspent by £1.145m (0.89% of budget) This demonstrates an outstanding track record of continuous strong financial management, despite considerable pressure on service budgets, notably adults and children's services and an unprecedented protracted period of significant cuts to Government funding.
Virement and Contingencies	Virement is an important feature of budgetary control. It provides flexibility to adapt expenditure patterns to meet changing needs and objectives, consistent with Council policy. No Assistant Director or Service Delivery Manager should plan to overspend. All expenditure should be consistent with approved service priorities and the overall approved budget.
The adequacy of the authority's insurance arrangements to cover major unforeseen risks	The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self insure". The Council use the services of an external insurance advisor to provide additional expertise in managing insurance arrangements. The Council has a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is regularly reviewed by Senior Management Team and Service Areas to manage risks and mitigate potential exposures.

These assumptions are reviewed on an annual basis.

Reserves & Balances Policy

Introduction

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

Types of Reserves and Balances

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

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

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

Some of the most commonly established earmarked reserves are:

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

Level of Reserves and Balances

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

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

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

Process

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

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

Consideration is given to the key financial risks and mitigation available to determine the resources available over the medium term to support the Council's budget.

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

Responsibilities and Reporting Mechanism

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

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

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

Finance & Enterprise Scrutiny Committee

Response to the Service & Financial Planning 2016/17-2017/18

The Finance & Enterprise Scrutiny Committee is a politically balanced committee of eight non-Executive elected members and two standing co-opted members. The Committee is the main mechanism by which Cabinet consults annually with scrutiny on the budget proposals.

The Committee held five meetings between 6 January and 3 February to scrutinise the Service & Financial Planning 2016/17-2017/18 (budget proposals) agreed by Cabinet for consultation on 7 January and alternative proposals put forward by the main opposition group. The Committee has made a separate response to the alternative budget proposals.

Scrutiny of the adult social care budget was carried out jointly with the Health & Adult Care Scrutiny Committee and scrutiny of children's services proposals was carried out jointly with the Children & Young People Scrutiny Committee so that issues identified through the work of other Committees could be considered and inform discussions. However, the formulation of responses to the budget proposals remained the exclusive responsibility of the Finance & Enterprise Scrutiny Committee.

The Committee would like to thank Cabinet members and officers who attended meetings to respond to the issues raised;

Cllr. Lee Carter, Cabinet Member Finance & Service Delivery
Cllr. Liz Clare, Cabinet Member Leisure Services & Culture
Cllr. Arnold England, Cabinet Member Adult Social Care
Cllr. Richard Overton, Deputy Leader and Lead for Housing, Public Health & Protection
Cllr. Paul Watling, Cabinet Member Children, Young People & Families
Richard Partington, Managing Director
Clive Jones, Director Children's & Adult Services
Paul Taylor, Director Health, Wellbeing & Care
Angie Astley, Assistant Director, Customer & Neighbourhood Services
Ken Clarke, Assistant Director, Finance & Human Resources
Jim Collins, Assistant Director, Education & Corporate Parenting
Jonathan Eatough, Assistant Director, Legal, Procurement & Commissioning
Liz Noakes, Assistant Director, Health & Wellbeing
Richard Smith, Assistant Director, Early Help & Support
Tracey Smart, Finance Manager (Schools & Care Services)
Kathy Swallow, School Organisation Services Manager

The Committee would also like to thank all officers involved in preparing written responses to the Committee often at very short notice.

The budget report sets out the headline figures: national cuts to the Local Government departmental budget (53% over four years) and the impact on Telford & Wrekin's budget (20.87% cut in Revenue Support Grant for 2016/17; £30.7m savings required over the next three years in addition to £80m cumulative annual savings already made). A key message was that the extent of the continued grant reductions meant that the Council had now reached a critical point where it was necessary to look at making savings from front line services. The budget contained almost 200 savings proposals, 32 of which were highlighted as areas with the most significant impact on service users.

In this context the Committee this year focused its attention on the following key areas:

1. The savings proposals highlighted as having the greatest impact on service users and members of the public. The Committee also considered cumulative impact of service cuts on particular localities.
2. Staff related savings which may impact on the organisation's capacity to deliver services
3. Other savings proposals
4. The communication and budget consultation process

The sections below summarise the outcome of the Committee's work. The Committee has made a number of recommendations which they would like Cabinet to consider before agreeing the final proposals to put before Council.

1. Savings highlighted as having the greatest impact on service users

Adult Social Care Service Review / Redesign (savings proposal 188)

Cllrs. Burrell and Evans declared an interest as employees of care providers and did not take part in discussions on the adult care budget or the formulation of the response.

Issues considered

The Committee considered the additional investment in the adult care budget and the proposed 2% increase in Council Tax for the adult care precept. Detailed information was provided about the redesign of the service, moving away from providing a managed service to a Direct Payments model, and the impact on savings and users. Responses were provided to a number of specific questions arising from work done by the Health & Adult Care Scrutiny Committee.

The Committee's response

- The Committee acknowledged as in previous years that adult social care is a key budget dependency and that funding adult care remains a national as well as a local issue
- The Committee fully supports the increase in the adult care budget by £1.6m in 2016/17 to help phase in future cuts and the imposition of the 2% increase in Council Tax for the adult care precept
- The Committee acknowledges that implementing the new model and moving towards a direct payment model is a journey and that the Health & Adult Care Scrutiny Committee will continue to monitor progress and delivery of savings.

The Committee **recommends**:

That it must be clearly communicated to the public that the 2% increase in Council Tax for the adult care precept is not enough to make up the deficit in the adult care budget and that the money must be ring-fenced for adult social care.

Library Services (savings proposals 34-41)

Issues considered

This was a key concern for the Committee given the direct impact on the library users. The Committee considered the breakdown of costs and how the savings would be made up; usage, including of the mobile library; the process for consulting on the future provision of the library service.

The Committee's response

- The Committee was clear that it did not want to see the libraries closed and welcomed the approach of taking the savings from 2017/18 to allow time for consultation with partners to secure the future of the service.

- The Committee acknowledged the fact that the Council has continued to support the library service until now when other authorities cut the service years ago and the necessity of making the proposals in the current financial climate.

The Committee **recommends** that:

1. Consultation on future library services must take account other local facilities and services so that wherever possible libraries benefit from co-location and shared resources. It is more likely that usage will increase where people use a building for more than one purpose.
2. The cessation of the mobile library service is reconsidered. The Committee feels it does not make sense to sell the vehicle so close to the expiry of the lease and that consideration should be given to how the vehicle could be used in future to fill gaps in the library service (perhaps supporting nurseries or care homes or rural areas) or with other roles such as a mobile First Point.
3. The proposal to cut the book fund by 50% should be reconsidered. If the libraries are saved by other organisations taking over the service they need to be supported with new books and e-books to help ensure their success.
4. A mechanism is developed to ensure the book fund is fairly allocated.
5. Decisions about the libraries should take account of the needs of users who may not be recorded for monitoring purposes, for example people who use reference books for studying but may not be recorded because they do not borrow or use the computers.

Public Health (savings proposals 169-187)

Issues considered

The key issues considered were the impact of reduced funding on smoking cessation services, the NHS Health Check Programme, Drug and Alcohol Services, STI sexual health services, breastfeeding and children's 0-5 services.

The Committee's response

The Committee agreed that the proposals are well thought through and coherent.

The Committee **recommends**:

That consideration is given to suggestions put forward at the meeting on 27 January relating to the role of pharmacies in the provision of out-of-hours smoking cessation programmes and NHS Health Checks, and to analyse supervised consumption payments to identify waste.

School Transport Policy (savings proposals 157)

Issues considered

The key issues for the Committee were how the significant level of savings projected would be delivered and whether the proposed changes would have a disproportionate impact on rural communities and faith groups.

The Committee's response

- From the evidence received the Committee was assured that no children currently receiving free home-to-school transport under the Council's statutory duties would have their entitlement removed, and that any changes to the discretionary elements of the

policy would affect only a small number of children and would not disproportionately impact on children in rural areas. The Committee suggested that the wording on the proposal could lead people to believe that the changes would impact on a significant number of people which evidence showed was not the case.

- The Committee was assured that significant progress had already been made toward achieving the savings target for year 1 and that the majority of the savings would come from providing services in different ways and driving efficiencies through the commissioning process.

Children's services (savings proposals 152, 163, 169)

Issues considered

The Committee considered responses to questions from the Children & Young People Scrutiny Committee on the impact of reducing the budget for preventative services, short breaks and youth clubs. Responses were also provided to specific questions arising from the Children & Young People Scrutiny Committee's review of Multi-Agency Working Against CSE.

The Committee's response

The Committee supported the approach around early intervention for Supporting Families and work that was being done with partners to mitigate the impact of cuts and to find alternative solutions. The Children & Young People Scrutiny Committee will make separate recommendations in the report on CSE.

Stop providing borough markets (savings proposals 73)

Issues considered

The committee was concerned that the savings were relatively small but that the closure of the markets could have a significant impact on the local traders and economy.

The Committee's response

The Committee welcomed the fact that the savings would not be taken until 2017/18 to allow time for consultation with Town and Parish Councils or to look at alternative models of funding to continue the markets.

Increased income from burials (savings proposal 7)

Issues considered

The committee was concerned about the increase in cost for low income families and felt that the equalities impacts had not been adequately addressed.

The Committee's response

- The Committee was assured that there were low cost burial options and that the cost of burial in Telford and Wrekin is lower than in neighbouring areas
- The Committee has been assured that the Equalities Impact Assessment would be revisited to inform the decision in the final budget report

Transport to Age UK day centres (savings proposal 193)
Issues considered
The committee was concerned that the move to full cost recovery may make the service unaffordable for some vulnerable people who rely on the day centres which are part of the preventative services. The Committee received information that work was being done with Age UK, partners and local people to explore alternative options, including a volunteer scheme.
The Committee's response
The Committee <u>recommends</u> : That savings from this proposal are deferred until 2017/18 to allow time for work to be done with Age UK, partners and service users to find solutions which are affordable.

Cumulative impact of service cuts
Issues considered
The Committee was concerned that the proposed cuts to services may have a greater cumulative impact on some areas. Members were also concerned that consultation would be happening on the high-impact service cuts and were concerned that consultation should be joined up between services and with partners and communities.
The Committee's response
The Committee <u>recommends</u> : 1. That a geographical impact assessment of the cumulative impact of the budget proposals is carried out. 2. That consultation should be carried out with partners and local communities on a locality basis so that existing services and assets can be identified and opportunities for joint working, sharing amenities and resources and co-location of services can be maximised. This would include services affected by the budget proposals such as libraries, community centres, youth clubs and preventative services. Donnington is a good example where there are opportunities to co-locate the library with the community centre and Lifelong Learning Centre. The review and consultation should also take account of the Town Park Visitor Centre.

2. Staff related savings

SMT restructure (savings proposal 106)
Changes to staff terms and conditions (savings proposal 102)
Issues considered
The Committee was concerned that the continued reduction of senior managers would impact on capacity to continue to manage services safely.
The Committee's response
• The Committee agreed that they had been assured by the Managing Director that the reduction in SMT posts was part of a coherent staged strategy over the past 18 months and that the right structure was now in place to lead the organisation forward. • Further, Members were assured that in restructures the needs of the business come first. • The Committee agreed with the Managing Director that staff had shown enormous

creativity and innovation when it came to thinking about alternative ways of doing things that would save money.

- The Committee felt that elected Members have a responsibility to know about changes in staff terms and conditions but accepted that staff should be briefed on changes first.

Single Status (savings proposal 103)

Issues considered

The Committee wanted greater clarity on the timetable for implementing Single Status and the risks around withdrawing funds from the Single Status pot.

The Committee's response

The Committee accepted the assurances given that with the reduction in the workforce the Single Status budget could be reduced by £100k without significant risk. Members also accepted the assurances that it would not be prudent to reduce the budget further.

The Committee **recommends**:

That all efforts should be made to resolve Single Status as soon as possible.

3. Other savings proposals

Reactive highways maintenance (savings proposals 28)

Issues considered

The Committee was concerned about the proposal impacting on road and pothole repairs which are key concerns for members of the public. The proposal was to move to a risk based response to enable contractors to programme non-hazardous repairs more efficiently which would allow for longer response times. The response time for hazardous defects would remain within 24 hours.

The Committee's response

The Committee **recommends**:

That a further report is brought to scrutiny once the new model has been developed.

Lighting energy from Invest to Save – LED replacement (savings proposals 29)

Issues considered

The Committee's key concern was the capital cost of replacement LED lights when old lights were still working. The Committee considered the Invest to Save business case and energy savings made in other areas from LED lights.

The Committee's response

The Committee supported this proposal on the basis of the projected savings from reduced energy and maintenance costs particularly as the condition of many of the old concrete columns is now deteriorating. However, lamps must be adjusted so that light is evenly diffused along a stretch of road to avoid bright and dark patches, and the brightness of lights must be adjusted to take account of public safety and any customer complaints

Photocopying (savings proposals 58)
Issues considered
The committee was concerned that the ability to print in colour would be removed when it is necessary for planning documents.
The Committee's response
The Committee agreed that black and white should be the default option but have been assured that the option of colour printing would still be available for documents where colour may be necessary such as planning or building design.

4. The budget communication and consultation process

Communication and Consultation Plan
Issues considered
The Committee considered the Communication and Consultation Plan for consulting on the budget proposals and the number of responses to date. At the time of the scrutiny meeting the consultation was still open and it was not possible to provide an analysis of the feedback.
The Committee's response
• The Committee applauded the efforts that had gone into the Communication and Consultation Plan to raise awareness and give members of the public every opportunity to put forward their views. In particular the Committee felt that holding road shows in places where people congregate, such as the bus station or supermarkets, was the right approach. Members also felt the videos on social media were a good way of communicating. • It was noted that information presented at consultation meetings was clear and easy to understand and that there was a greater sense of consultation. • The Committee was pleased to note that the number of responses as of 2 February (2,124) was higher than the total number of responses in 2015 (1,608) and the final number would be higher. This was attributed to the fact that the consultation built on previous consultations, the approach of going out to where people are and the fact that the budget was proposing cuts to services and therefore likely to attract more comment.

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

Budget Strategy – Communication and Consultation Activities – November 2015 to March 2016
APPENDIX 16

Task	Actions	Responsible person	Timescale
Scope equality impact assessment and consultation requirements for savings		Andy Challenor (Engagement and Equalities Manager) and Richard Taylor-Murison (Equalities Officer) and Sarah Stemberge (Engagement Officer) and Debbie Rudd (Engagement Officer)	November
Develop and deliver Phase 1 (November to December) communication plan	Develop budget news update briefings and video	Nigel Newman (Communications Manager)	November/ December
Develop consultation plan		Andy Challenor and Sarah Stemberge and Debbie Rudd	November
Update online budget page to include phase 1 communications messages	www.telford.gov.uk/budget	Nigel Newman and Andy Challenor	November
Agree communication and consultation plan with Policy Review		Nigel Newman and Andy Challenor	26 November
Distribute – Your Voice – Key budget messages		Nigel Newman	Distribution starts 30 November
Prepare and agree budget communication and consultation materials and presentations		Ken Clarke (Assistant Director – Finance, Audit & Information Governance), Andy Challenor, Nigel Newman and Cllr Lee Carter (Cabinet Member for Finance & Service Delivery)	November - December
Budget proposals agreed by Cabinet		Nigel Newman and Andy Challenor	17 December
Develop Phase 2 (January to		Nigel Newman	23 December

March) communication plan			
Budget information and consultation to go out to all employees		Nigel Newman	4 January
Corporate email to all employees		Nigel Newman	4 Jan/3 Feb
Corporate email signature amended to contain budget consultation message		Nigel Newman	4 January
Briefing pack for AD/Managers along with video material converted into PowerPoint presentation (x2)		Nigel Newman	4 January
Budget consultation intranet site developed for First Point for staff		Nigel Newman	4 January
Internal communication and engagement messages to staff and managers on weekly including weekly computer pop-ups and poster campaign		Nigel Newman	4 Jan to 5 Feb
Launch Phase 2 budget communications campaign – proposals in the public domain including web pages, social media, video, online survey, newsroom, direct digital communications		Nigel Newman	Starts 5 January, promoting consultation methods by 8 Jan
Interview on Radio Shropshire		Cllr Lee Carter	5 January
Launch budget consultation		Andy Challenor	8 January
Budget direct communication/news update/media release/social media/partner		Nigel Newman	8 January

communication/send online consultation tools live			
Launch poster campaign in key areas		Nigel Newman	8 January
Send out budget letter – key budget messages and signposting on how they can get further involved	• Parish, Town, Ward Members • Other key partners	Nigel Newman	8 January
Send out budget ‘stakeholders’ email	Gov delivery database Business community Key community forums and groups	Nigel Newman	8 January
Attend Donnington & Muxton Parish Council meeting	7pm Turreff Hall	Jonathan Rowe (Director - Customer, Neighbourhood and Well-Being Services) and Angie Astley (Assistant Director – Customer & Neighbourhood Services) and Rachael Jones (Community Participation Manager)	11 January
Attend Wrockwardine Wood & Trench Parish Council meeting	7pm The Parish Council Centre, Wrockwardine Wood	Dave Hanley (Highway & Neighbourhood Services Manager)	12 January
Budget roadshow – Woodside	11.30am to 1pm Park Lane Centre	Cllr Lee Carter and Cllr Kuldip Sahota (Leader of the Council)	13 January
Attend Young People’s Forum	5pm – 7pm The Salvation Army Building	Cllr Lee Carter and Cllr Kuldip Sahota and Cllr Paul Watling (Cabinet Member for Children, Young People and Families) and Cllr Gilly Reynolds	13 January

		(Cabinet Member for Employment & Skills)	
Wrap around on the Telford Journal Newport Journal advert		Nigel Newman	14 January
Distribute Community Panel information on the budget		Helen Potter (Research & Intelligence Manager)	14 January
Budget roadshow – Newport	10.30am to 12.30pm Newport Market	Cllr Lee Carter and Cllr Kuldip Sahota and Ken Clarke and Clive Jones (Director: Children's & Adult Services) and Angie Astley	15 January
Deliver employee budget consultation sessions with SMT		Richard Partington (Managing Director) and Ken Clarke	18 Jan/25 Jan/3 February
Host two public budget events	The Place @ Oakengates 1pm to 3pm and 6pm to 8pm	Key Cabinet Members and SMT and relevant Council officers	19 January
Attend Stirchley & Brookside Parish Council meeting	6pm The Sambrook Centre	Jonathan Rowe and Angie Astley and Rachael Jones and Cllr Shaun Davies (Cabinet Member for Neighbourhood Services, Employment and Skills)	19 January
Attend Senior Citizens Forum	10.30am to 12.30pm Wellington Methodist Church	Cllr Lee Carter and Cllr Arnold England (Cabinet Member for Adult Social Care) and Cllr Liz Clare (Cabinet Member for Leisure Services & Culture) and Paul Taylor (Director - Care, Health and Well-being) and Richard Smith (Assistant Director - Early Help & Support) and Jonathan Eatough (Assistant Director - Law, Procurement and Commissioning)	20 January
Budget roadshow – Telford Town Centre	4.30pm to 6.30pm	Cllr Lee Carter and Cllr Paul Watling and Clive Jones and Jo Britton	20 January

	Asda supermarket	(Assistant Director - Children's Safeguarding) and Katherine Kynaston (Assistant Director - Business, Development & Employment)	
Budget roadshow – Southwater	11am to 1pm Southwater One	Cllr Lee Carter and Cllr Kuldip Sahota and Paul Taylor	21 January
Attend Telford College of Arts and Technology (TCAT)	11.30am to 1pm	Cllr Lee Carter and Cllr Kuldip Sahota and Cllr Angela McClements (Cabinet Member for Communities, Regeneration & Transport) and Sue Marston (Skills Manager)	25 January
Live Tweet session		Cllr Lee Carter and Nigel Newman and Shirley Wilson (Communications & Marketing Officer)	25 January
Budget roadshow – Telford Town Centre	9.30am to 11am Town Centre Bus Station	Cllr Lee Carter and Cllr Liz Clare and Jonathan Rowe and Ken Clarke	26 January
Attend the Voluntary Sector meeting	2pm to 3.30pm The Glebe Wellington	Cllr Lee Carter and Cllr Angela McClements and Clive Jones	26 January
Budget roadshow – Newport	12pm to 2pm Waitrose Newport	Cllr Lee Carter and Cllr Kuldip Sahota and Cllr Paul Watling and Cllr Gilly Reynolds and Cllr Richard Overton (Deputy Leader of the Council and Lead Member for Housing, Public Health & Protection) and Ken Clarke and Richard Smith and Angie Astley and Liz Noakes (Assistant Director - Health & Well-Being)	28 January
Attend Listen not label (user led	11am to 12.30pm	Cllr Lee Carter and Richard Smith	29 January

organisation)			
Budget roadshow – Southwater	10am to 12pm Southwater One	Cllr Kuldip Sahota and Ken Clarke and Clive Jones	30 January
Attend Parents Opening Doors (PODS) forum	10am to 12pm Hadley Learning Centre	Cllr Lee Carter and Cllr Kuldip Sahota and Clive Jones and Viv McKay (Commissioning Manager) and Diane Partridge (Children's Specialist Services Manager)	1 February
Budget roadshow – Donnington	11am to 1pm Wyevale Garden Centre Donnington	Cllr Lee Carter and Cllr Kuldip Sahota and Cllr Liz Clare and Richard Partington	2 February
Budget roadshow – Wrekin Retail Park	4pm to 6pm Tesco supermarket	Cllr Lee Carter and Cllr Kuldip Sahota and Cllr Angela McClements and Fliss Mercer (Assistant Director - Commercial Services)	2 February
Attend Hadley Parish Council meeting	7pm Castle farm Community Centre	Cllr Shaun Davies and Jonathan Rowe and Rachael Jones and Dave Hanley	2 February
Attend Oakengates Town Council meeting	8pm Council Chamber, The Place	Cllr Shaun Davies and Jonathan Rowe and Dave Hanley	2 February
Attend Business Board	7.45am to 9.30 am TCAT	Cllr Lee Carter and Richard Partington and Katherine Kynaston	3 February
Attend Shropshire Partners in Care (SPIC) provider forum	10.30am to 12.30pm Denby House Suite Stafford	Cllr Lee Carter and Cllr Arnold England and Jonathan Eatough and Viv McKay	3 February

	Park		
Budget roadshow – Madeley	2pm to 4pm Tesco supermarket	Cllr Lee Carter and Cllr Kuldip Sahota and Katherine Kynaston and Jim Collins (Assistant Director - Education & Corporate Parenting)	3 February
Budget roadshow – Wellington	10am to 12pm Wellington Civic and Leisure Centre	Cllr Lee Carter and Cllr Richard Overton and Jonathan Rowe and Katherine Kynaston	
Finance & Enterprise Scrutiny Committee – four meetings during consultation process – meeting to agree recommendations of response to proposal in Cabinet Report on Consultation			3 February
Attend Parish Forum	7pm to 8pm Randlay Community Centre	Cllr Lee Carter and Cllr Shaun Davies and Cllr Angela McClements and Jonathan Rowe and Ken Clarke	4 February
Budget questions to Cabinet Leads online – video grabs of questions		Cllr Lee Carter and Cllr Shaun Davies and Cllr Angela McClements	4 February
Budget roadshow – Donnington	9.30am to 11am Asda supermarket	Cllr Lee Carter and Cllr Paul Watling and Clive Jones	5 February
Budget roadshow – Dawley	11.45am to 1pm Dawley Christian Centre	Cllr Lee Carter and Cllr Shaun Davies and Clive Jones	5 February
Budget roadshow – Wellington	11am to 1pm Wellington Market	Cllr Lee Carter and Cllr Arnold England and Fliss Mercer	6 February
Close of consultation			7 February

Share findings of consultation	With Cllr Kuldip Sahota, Cllr Lee Carter and Richard Partington and Ken Clarke	Jon Power (Delivery and Planning Manager) and Andy Challenor and Nigel Newman	9 February
Attend Newport Town Council meeting	7pm The Guildhall	Jonathan Rowe and Angie Astley	10 February
Policy Review	1.30pm G3 Addenbrooke House	Cllr Lee Carter	11 February
Attend CVS Meeting		Clive Jones and Rachael Jones	16 February
Attend Dawley Hamlets Parish Council meeting	7pm Horsehay Village Hall	Cllr Shaun Davies and Jonathan Rowe	17 February
Attend Madeley Town Council meeting	6.30pm Jubilee House	Cllr Shaun Davies and Jonathan Rowe and Angie Astley and Rachael Jones	23 February
Cabinet	5pm G3 Addenbrooke House	Cllr Lee Carter	25 February
Full Council	6.30pm The Place @ Oakengates Theatre	Cllr Lee Carter	3 March
Attend Wrockwardine Parish Council meeting	6.30pm Wrockwardine Parish Hall	Cllr Shaun Davies and Jonathan Rowe	9 March

Phase 3 budget communication and consultation as budget plans roll out		Nigel Newman and Andy Challenor	March onwards

1 Executive Summary

1.1 Introduction

Targeted consultation and engagement has taken place throughout the year, related to the proposals put forward in the 2015/16 budget report. Specific proposals in this 2016/17 to 2017/18 budget report were subject to consultation and engagement. Budget communication material contained high level messages and focussed on proposals with maximum public impact – for example libraries, reduced environmental standards, play areas, CRCs, markets, youth provision, transport for schools, adult services changes and fewer PCSOs.

As in previous years, communicating and engaging with the community on our future plans was a key part of the budget planning process. We launched a public consultation on 8 January 2016 following publication of proposals on 5 January 2016. Internal communication began on 4 January to ensure employees were aware of the budget proposals before they became public.

Consultation on key proposed cuts to services

Consultation focussed on 32 key proposed cuts to services related to what the public would see including how the changes in the Council's budget would affect your neighbourhood, your community, Council charges, parks and leisure and sports and arts, transport, children and young people, libraries and adults. The savings were demonstrated in a visual way using images and other tools to make it as clear and meaningful as possible for residents.

Consultation on specific proposed cuts to services

During 2016/17 we will refine specific savings; this will require a different kind of timely targeted consultation with residents, service users and stakeholders. These specific consultations will help us understand the impact that these types of changes can have and may offer ways to mitigate any negative impact for our residents. We will also seek ongoing suggestions from local people for their ideas on ways in which the Council and residents can help to save more money and ways in which we can increase income.

1.2 Community Engagement and Communication

Our communication and engagement plan included at Appendix 16 provides further details of how people contributed their views including:-

- Your Voice distributed to homes in the Borough at the start of December included key budget messages and signposting to the online budget page to find out more and get involved.
- Budget briefing sheets and a video highlighting the challenge the Council faces and what it has already done to make savings and earn extra income
- A survey of the Community Panel.
- An online budget survey on the budget section of the Council website – www.telford.gov.uk/budget. This survey asked resident to tell us what they thought about our priorities for the Council, 32 proposed cuts to services, views on Council Tax and fair funding for Telford and Wrekin. This was widely promoted throughout the budget consultation including a 4-page wrap in The Telford Journal on January 14 and information in the Newport Advertiser.
- Signposting opportunities for people to get involved and give their views on the budget strategy including Facebook, Twitter, write in, ring in or text.
- 2 public meetings and 14 roadshows in high footfall locations giving local people an opportunity to hear about the budget and future plans and speak with Cabinet members and senior managers.
- Visits to present the budget strategy at 9 organisations and forums including the Parish Council Forum, Business Forum, Senior Citizens Forum, Young Peoples Forum and Listen not Label (user led organisation).

In total it is estimated that as part of this budget consultation 1,347 people attended roadshow events or forums and up to 2,666 people provided views or comments (excluding comments received during events – 2,135 completed a survey, 531 comments received via other means)

1.2.1 Local Groups and Forums

The Cabinet Member for Finance & Service Delivery, Cabinet Members, the Chief Finance Officer and relevant senior managers, between them attended a number of local groups and forums including:

Group/Forum	Number of people attending
Young People's Forum	9
Senior Citizens Forum	40
Telford College of Arts and Technology (TCAT)	90
Voluntary Sector meeting	40
Listen not Label	10
Parents Opening Doors (PODS)	30
Telford Business Board	33
Shropshire Partners in Care (SPIC)	25
Parish Forum	25
Total in attendance at local groups and forums	302

1.2.2 Roadshow Events

This year we delivered 2 public events and 14 interactive roadshows, visiting a number of areas across the Borough giving local people an opportunity to hear about the budget and future plans and speak with Cabinet members and senior managers.

Roadshow Event	Approximate number of people contacted
Park Lane Centre, Woodside	25
Newport market	150
The Place @ Oakengates public events x 2	80
Telford town centre – Asda supermarket	150
Southwater One	50
Telford town centre bus station	80
Newport – Waitrose supermarket	100
Southwater One	30
Donnington – Wyevale Garden Centre	55
Wrekin retail park – Tesco supermarket	70
Madeley – Tesco supermarket	80
Wellington Civic and Leisure Centre	45
Donnington – Asda supermarket	55
Dawley Christian Centre	30
Wellington market	45
Total (approximate) number in attendance at the road show events	1,045

1.2.3 Social Media

Having learned the lessons from previous budgets, we encouraged residents to complete the survey and to not leave their comments on our social media channels such as Facebook or Twitter. The majority of messages we wrote encouraged people to go to www.telford.gov.uk/budget and to make their views known as part of the survey. This has resulted in a far greater reach for our message but fewer comments left on our channels. The use of videos this year has been an easier way of getting the complex message out to more members of the public. This visual and streamlined approach means that we can impart the messages more clearly and capture all the comments as part of the consultation. Communication activity to raise awareness of the budget and encourage people to get involved in the budget consultation includes the following:

Methods	Communication reach
Total reach for Facebook, Twitter and Streetlife	127,082
Advocacy (similar to likes and retweets)	351
Unique page views (individuals viewing pages) of clicks on the link to our budget web pages	7,383
Total number of page views (total number of views including repeat views). This excludes views of number of web forms.	23,051

Methods	Communication reach
Live Twitter discussion with Cabinet lead for Finance & Service Delivery	(1,295 – figure included in total reach)
Email opens to people signed up through News for You – 13 emails sent out and budget emails opens	31,548
Press releases	6
Radio interviews	6
Budget video views	4,905
Telford Journal wrap around	61,541 readership (Midlands News Association provided)
Newport advertiser	17,573 readership (Midlands News Association provided)
Surveys distributed to the Community Panel	1,159
Posters = 4 large poster sites, 300 A4 and 20 A3	unknown
Postcards	2,500
Total communication reach	277,105*

*Note: Some people will have been reached more than once.

1.2.4 Consultation Responses

The breakdown of how people responded to the consultation is as follows:

Method	n
Budget Survey - Completed online	1,532
Budget Survey – Completed on paper	213
Budget Survey – Completed by a Community Panel member	390
Budget Views - 1 page survey completed at roadshow event/forum	477
General Comment Received*	366
General Comment Received – at an roadshow event / Forum	311
General comments - social media	165

*People used a number of other methods to provide comments to the Council on the budget proposals. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

1.3 Headline results

1.3.1 Headline result – Our Budget Priorities

People who reported that they ‘strongly agree’ or ‘Agree’ with the priority (% and number)		
	%	n
Working with partners, including Town and Parish Councils and community and voluntary groups and organisations, to find new ways of delivering services	87.2%	1,778
Protecting the most essential services for vulnerable children and adults as far as possible	88.2%	1,794
Bringing in more money to protect services the community rely on	84.9%	1,721

See table 2.1.1 for more information

- In order of importance, people ranked the Council priorities in the following order (see table 2.1.2 for more information):
 - 1st - Protecting the most essential services for vulnerable children and adults as far as possible
 - 2nd - Working with partners, including Town and Parish Councils and community and voluntary groups and organisations, to find new ways of delivering services
 - 3rd - Bringing in more money to protect services the community rely on

1.3.2 Headline result – Budget Proposals

- For each of the budget proposals, we asked ‘How will these savings impact on you or your household?’ The 10 savings which had the highest number of people who reported that these savings would impact them or their household with ‘Some impact’ or ‘Impact a lot’ were:

Savings Proposal	Number of people who reported the saving would ‘Impact a lot’ or have ‘Some impact’ on them or their household
Less enhanced winter maintenance (gritting)	968
Reduction in the number of Council funded Police Community Safety Officers (PCSOs)	693
Changes to litter picking arrangements	681
Closure of Newport library	619
Changes to chemical weed killing and grass cutting	565
Reduce our road sweeping frequency on some minor roads to once per year	557
Less wildflower and annual planting schemes	497
Fewer people offered a NHS health check	494

Savings Proposal	Number of people who reported the saving would 'Impact a lot' or have 'Some impact' on them or their household
To bring forward by one year planned changes to community recycling centres (CRC)	482
New approach to Adult Social Care	360

See section 2.2 to 2.9 for further information. Note: this includes all people who completed a budget survey, including Community Panel, or completed a one-page survey at a roadshow event or forum.

- 837 comments related to the budget were received outside of the main surveys (section 1.2.4 details some of these). Of these comments, the top 5 most mentioned savings proposals were:

Proposal Commented on:	Total comments
No Council paid for transport to Age UK day centres	152
Closure of Newport Library	68
No Council run youth clubs	56
Closure of Libraries – general comments	41
Review of short break provision for children with disabilities	33

Note: 355 comments were received that were not related to a specific savings proposal and were classified as 'general comments'. For further information see sections 2.2 to 2.10.

1.3.3 Headline result – Council Tax

Which is your preferred option for Council Tax		
Proposal:	%	n
Option 1: "Freeze" Council Tax plus 2% adult social care increase only	27.7%	571
Option 2: 1.2% increase in Council Tax for Telford & Wrekin Council Services plus 2% adult social care increase	26.3%	541
Option 3: 1.9% increase in Council Tax for Telford & Wrekin Council Services plus 2% adult social care increase	34.9%	718
Other	11.2%	230

See table 2.11.1 for more information. Note: totals include everyone who responded to this question within a survey (including Community Panel) or provided their views on this question at a roadshow event or forum.

1.3.4 Headline Result – Fair Funding for Telford and Wrekin

People who reported that they 'Strongly Agree' or 'Agree' that it is right for the Council to make a case to Government for the Borough to receive a fairer level of funding to protect front-line services (% and number)		
	%	n
Fair funding for Telford and Wrekin	88.7%	1,756

See table 2.12 for more information. Note: totals include everyone who responded to this question within a survey (including Community Panel) or provided their views on this question at a roadshow event or forum.

2 Consultation Findings

2.1 Consultation Findings: Our Budget Priorities

2.1.1 To what extent do you agree with each of these priorities for the Council?

People who reported that they 'strongly agree' or 'Agree' with the priority (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
	%	n	%	n	%	n
Working with partners, including Town and Parish Councils and community and voluntary groups and organisations, to find new ways of delivering services	86.1%	1,430	91.5%	345	100%	3
Protecting the most essential services for vulnerable children and adults as far as possible	87.4%	1,447	91.7%	344	100%	3
Bringing in more money to protect services the community rely on	84.3%	1,394	87.1%	324	100%	3

2.1.2 Ranking of priorities in order of importance (1 is most important)

	Budget Survey	Community Panel	Roadshow Events & Forums
Working with partners, including Town and Parish Councils and community and voluntary groups and organisations, to find new ways of delivering services	2 nd equal	2 nd	2 nd
Protecting the most essential services for vulnerable children and adults as far as possible	1 st	1 st	1 st
Bringing in more money to protect services the community rely on	2 nd equal	3 rd	3 rd
Number of people	1,622	360	2

2.2 Consultation Findings: Your Community

2.2.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
No Council run local markets	25.9%	248	24.6%	83	56%	5
Reduction in the number of Council funded Police Community Safety Officers (PCSO)	54.8%	516	49.7%	167	100%	10
No Council run community centres: Brookside Central	12.5%	116	8.6%	28	-	0
No Council run community centres: Donnington Lifelong Learning Centre	12.7%	115	8.0%	26	-	0
No Council run community centres: Leegomery Community Centre	10.6%	95	6.2%	20	-	0
No Council run community centres: Sutton Hill Community Centre	13.1%	119	7.1%	23	-	0
No Council run community centres: Watling Street Community Centre	9.7%	86	6.6%	21	-	0
No 'Your Voice' to your home	10.5%	96	14.5%	48	56%	5
Review of changes to 4 Corporate Grants to Voluntary Sector organisations.	20.5%	184	20.2%	66	100%	10

2.2.2 Other comments received: Your Community

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
No Council run local markets	-	5	-	-	-	4	-	1	-	1	1	-
Reduction in the number of Council funded Police Community Safety Officers (PCSO)	-	1	-	-	1	-	-	-	-	-	-	-
No Council run community centres – general comments	-	3	-	-	-	-	1	-	-	-	-	-
No Council run community centres: Brookside Central	-	-	-	-	-	-	-	-	-	-	-	-
No Council run community centres: Donnington Lifelong Learning Centre	-	1	-	-	-	-	-	-	-	-	-	-
No Council run community centres: Leegomery Community Centre	-	-	-	-	-	-	-	-	-	-	-	-
No Council run community centres: Sutton Hill Community Centre	-	-	-	-	-	-	-	-	-	-	-	-
No Council run community centres: Watling Street Community Centre	-	-	-	-	-	-	-	-	-	-	-	-
No 'Your Voice' to your home	-	1	-	-	1	-	-	-	-	-	-	-
Review of changes to 4 Corporate Grants to Voluntary Sector organisations.	-	1	-	-	-	-	-	-	-	-	-	-

2.3 Consultation Findings: Your Neighbourhood

2.3.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
Reduce our road sweeping frequency on some minor roads to once per year	40.7%	400	45.1%	152	50%	5
Changes to litter picking arrangements	50.6%	496	52.5%	176	90%	9
Less enhanced winter maintenance (gritting)	71.2%	702	75.9%	255	100%	11
Changes to chemical weed killing and grass cutting	43.4%	424	40.6%	136	50%	5
Less wildflower and annual planting schemes	37.7%	367	36.0%	121	90%	9
To bring forward by one year planned changes to community recycling centres (CRC)	35.8%	352	37.2%	124	55%	6
Changes to small, household planning applications	18.5%	179	20.1%	66	56%	5

2.3.2 Other comments received: Your Neighbourhood

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
Reduce our road sweeping frequency on some minor roads to once per year	-	1	-	-	-	-	-	-	-	-	-	-
Changes to litter picking arrangements	-	1	-	2	-	1	1	1	-	-	-	-
Less enhanced winter maintenance (gritting)	-	1	-	-	-	1	-	-	-	-	-	-
Changes to chemical weed killing and grass cutting	-	1	-	-	-	1	-	-	-	-	-	-
Less wildflower and annual planting schemes	-	1	-	-	-	-	-	-	-	-	-	-
To bring forward by one year planned changes to community recycling centres (CRC)	-	2	-	-	-	-	1	-	-	-	-	-
Changes to small, household planning applications	-	1	-	-	-	-	-	-	-	-	-	-

2.4 Consultation Findings: Parks, leisure, sport and arts

2.4.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
Close old and worn out play areas	23.4%	219	11.6%	38	59%	10
The Town Park Visitor Centre to be closed from November to February	17.4%	162	11.6%	38	59%	10
Reduced public opening hours for Telford Ice Rink during the school day	11.3%	106	7.3%	24	17%	2
Reduced public opening times at Phoenix Sports Centre in Dawley	12.1%	113	7.3%	24	-	0
Review Hadley Learning Centre (HLC) contract for community leisure access	14.1%	131	9.5%	31	44%	4
No Council funded sports development activities	30.6%	285	18.3%	60	36%	5
Stop providing the Creative Arts Service	26.6%	248	10.9%	36	83%	19

2.4.2 Other comments received: Parks, leisure, sports and arts

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
General comments regarding parks, leisure, sports and arts	-	1	-	1	-	-	3	-	-	-	-	-
Close old and worn out play areas	-	2	-	-	-	15	-	-	-	-	-	-
The Town Park Visitor Centre to be closed from November to February	-	4	-	-	-	2	-	-	-	2	-	-
Reduced public opening hours for Telford Ice Rink during the school day	-	12	-	-	-	-	-	-	-	-	1	-
Reduced public opening times at Phoenix Sports Centre in Dawley	-	2	-	-	-	-	-	-	-	-	-	-
Review Hadley Learning Centre (HLC) contract for community leisure access	-	1	-	-	-	-	1	-	-	-	-	-
No Council funded sports development activities	-	2	-	-	-	13	1	1	-	-	-	-
Stop providing the Creative Arts Service	-	8	-	-	-	3	1	-	-	-	1	-

2.5 Consultation Findings: Libraries

2.5.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
Closure of Dawley Library	19.8%	190	6.7%	17	-	-
Closure of Donnington Library	17.4%	169	11.2%	36	-	-
Closure of Hadley Learning Centre Library	17.8%	171	8.7%	28	-	-
Closure of Madeley Library	30.1%	302	15.2%	49	100%	4
Closure of Newport Library	45.4%	491	24.2%	80	98%	48
Closure of Stirchley Library	19.8%	190	10.3%	33	-	-
Closure of Mobile Library Service	22.7%	220	12.1%	38	100%	3

2.5.2 Other comments received: Libraries

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Libraries – general comments	1	6	-	4	-	9	8	2	1	10	-	-
Closure of Dawley Library	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Donnington Library	-	1	-	-	-	-	-	1	-	-	-	-
Closure of Hadley Learning Centre Library	-	-	-	-	-	-	-	-	-	1	-	-
Closure of Madeley Library	-	7	-	-	-	1	-	-	-	2	-	-
Closure of Newport Library	-	34	-	2	-	14	12	3	-	3	-	-
Closure of Stirchley Library	-	-	-	-	-	-	-	-	-	-	1	-
Closure of Mobile Library Service	-	-	-	-	-	-	1	-	-	-	-	-

2.6 Consultation Findings: Transport

2.6.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
Some pupils will have no Council funded bus transport to and from school	19.1%	141	9.2%	29	81%	17
Reduction in Council transport assistance for learners aged 16 years and over	16.6%	123	11.2%	35	75%	12
No Council paid for transport to Age UK day centres	21.4%	157	13.5%	42	83%	38

2.6.2 Other comments received: Transport

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
General comments regarding transport	-	-	1	-	-	1	4	-	-	-	1	-
Some pupils will have no Council funded bus transport to and from school	-	1	-	-	-	16	-	1	-	-	-	-
Reduction in Council transport assistance for learners aged 16 years and over	-	-	-	-	-	15	-	1	-	-	-	-
No Council paid for transport to Age UK day centres	-	148	-	-	-	2	-	-	-	2	-	-

2.7 Consultation Findings: Council Charges

2.7.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
Increase the charge for disabled bay applications and 'H' Bar road markings	11.3%	83	9.7%	31	-	0
Introduce a sliding scale of bulk collection charges.	18.2%	134	18.2%	58	-	0
Increase in the charge for music services	11.2%	82	4.1%	13	100%	12
To increase the charge for non statutory weddings and burials	23.2%	168	17.8%	57	56%	5

2.7.2 Other comments received: Council Charges

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
Increase the charge for disabled bay applications and 'H' Bar road markings	-	1	-	-	-	-	-	-	-	-	-	-
Introduce a sliding scale of bulk collection charges.	-	1	-	-	-	-	-	-	-	-	-	-
Increase in the charge for music services	-	1	-	-	-	1	-	1	-	-	-	-
To increase the charge for non statutory weddings and burials	-	1	-	-	-	-	-	-	-	-	-	-

2.8 Consultation Findings: Children and Young People

2.8.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
No Council run youth clubs	32.3%	285	13.2%	42	80%	16
Review of short break provision for children with disabilities	22.0%	192	11.7%	37	70%	14
Reshaping our children centre offer	25.1%	217	7.9%	25	36	5

2.8.2 Other comments received: Children and Young People

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
General comments regarding Children & Young People	-	-	-	-	-	9	3	-	-	-	-	-
No Council run youth clubs	-	32	-	1	-	23	-	-	-	-	-	-
Review of short break provision for children with disabilities	-	1	-	-	-	27	2	3	-	-	-	-
Reshaping our children centre offer	-	4	-	-	-	1	-	-	-	-	-	-

2.9 Consultation Findings: Adults

2.9.1 How will these savings impact on your household: results

People who reported the budget proposal would have 'a lot' or 'some' impact on their household (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
Proposal:	%	n	%	n	%	n
New approach to Adult Social Care	34.2%	273	26.6%	83	44%	4
Fewer people offered a NHS health check	45.3%	365	37.9%	120	90%	9

2.9.2 Other comments received: Adults

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal.

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
Proposal:	-	-	-	-	-	-	-	-	-	-	-	-
New approach to Adult Social Care	-	1	-	-	-	1	2	1	-	-	-	-
Fewer people offered a NHS health check	-	1	-	-	-	-	-	-	-	-	-	-

2.10 Consultation Findings: General Comments Received

People used a number of methods to provide comments to the Council on the budget proposals outside of the surveys above. These methods included written letters, emails, telephone calls, comments via the Council's 'Complaints, Compliments and Comments' process, petitions and responses made on behalf of groups. Wherever possible, one count represents one comment on one proposal. Where these comments were not about a specific proposal they have been counted below:

Number of comments received (excluding comments made in surveys), by method of communication												
	General Comments				Roadshow Events and Forums				Social Media			
	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving	Broadly agree	Broadly oppose	General comment	Suggestion for saving
General Budget Comments received (not included elsewhere in this report)	2	1	35	37	-	18	103	26	-	36	96	-

2.11 Consultation Findings: Council Tax

2.11.1 Which is your preferred option for Council Tax:

Method:	Budget Survey		Community Panel		Roadshow Events & Forums		Total	
Proposal:	%	n	%	n	%	n	%	n
Option 1: “Freeze” Council Tax plus 2% adult social care increase only	26.4%	434	34.8%	131	15.8%	6	27.7%	571
Option 2: 1.2% increase in Council Tax for Telford & Wrekin Council Services plus 2% adult social care increase	24.7%	407	31.9%	120	36.8%	14	26.3%	541
Option 3: 1.9% increase in Council Tax for Telford & Wrekin Council Services plus 2% adult social care increase	36.7%	604	25.8%	97	44.7%	17	34.9%	718
Other	12.2%	201	7.4%	28	2.6%	1	11.2%	230

2.11.2 ‘Other’ Option

Where people chose ‘other’ from the options in section 2.11.1 (230 people), they were given the opportunity to explain. Responses fell broadly into the categories below:

	n	%
Increase higher than option 3	29	1.4%
Increase with Option 1 to 3 but with comments	25	1.2%
No increase	76	3.7%
Specific objection to Adult Social Care increase	11	0.5%
General comment – no further indication of choice	46	2.2%
No further detail provided	43	2.1%

2.12 Consultation Findings: Fair Funding for Telford and Wrekin

People who reported that they 'Strongly Agree' or 'Agree' that it is right for the Council to make a case to Government for the Borough to receive a fairer level of funding to protect front-line services (% and number)						
	Budget Survey		Community Panel		Roadshow Events & Forums	
	%	n	%	n	%	n
Fair funding for Telford and Wrekin	89.0%	1,418	87.7%	334	100%	4

3 Respondent Profiles

Do you live in Telford and Wrekin?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	91.8%	1485	100%	390
No	3.5%	57	-	0
Prefer not to Say	4.6%	75	-	0
Total	-	1617	-	390

What is your postcode? Where supplied this has been reported as the ward:				
	Budget Survey		Community Panel	
	n	%	n	%
Admaston & Bratton	26	2.3%	15	3.8%
Apley Castle	20	1.8%	10	2.6%
Arleston	8	0.7%	<5	-
Brookside	30	2.6%	15	3.8%
Church Aston & Lilleshall	29	2.6%	10	2.6%
College	26	2.3%	9	2.3%
Dawley & Aqueduct	73	6.4%	19	4.9%
Donnington	20	1.8%	5	1.3%
Dothill	21	1.9%	8	2.1%
Edgmond & Ercall Magna	56	4.9%	18	4.6%
Ercall	24	2.1%	6	1.5%
Hadley & Leegomery	42	3.7%	12	3.1%
Haygate	12	1.1%	6	1.5%
Horsehay & Lightmoor	52	4.6%	11	2.8%
Ironbridge Gorge	33	2.9%	10	2.6%
Ketley & Overdale	50	4.4%	20	5.1%
Madeley & Sutton Hill	105	9.3%	26	6.7%
Malinslee & Dawley Bank	27	2.4%	6	1.5%
Muxton	50	4.4%	14	3.6%
Newport North & West	95	8.4%	16	4.1%
Newport South & East	83	7.3%	26	6.7%
Oakengates & Ketley Bank	41	3.6%	30	7.7%
Park	13	1.1%	10	2.6%
Priorslee	39	3.4%	14	3.6%
Shawbirch	25	2.2%	12	3.1%
St Georges	21	1.9%	8	2.1%
The Nedge	48	4.2%	16	4.1%
Woodside	20	1.8%	6	1.5%
Wrockwardine	16	1.4%	10	2.6%
Wrockwardine Wood & Trench	29	2.6%	15	3.8%
Total (where postcode provided)	1,134		387	

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Do you or a member of your household work for Telford & Wrekin Council?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	18.8%	308	1.8%	7
No	74.6%	1223	25.6%	100
Prefer not to Say	6.7%	109	72.6%	283
Total	-	1640	-	390

What is your age?				
	Budget Survey		Community Panel	
	%	n	%	n
Under 18	1.2%	20	-	-
19 - 25	4.3%	71	-	<5
26 - 35	11.0%	182	1.5%	6
36 - 45	17.5%	288	5.4%	21
46 - 55	20.3%	335	18.5%	72
56 - 64	17.9%	295	17.7%	69
65 - 75	17.3%	285	30.5%	119
76 - 84	3.8%	63	10.5%	41
85 +	0.8%	14	-	<5
Prefer not to say	5.8%	96	14.4%	56
Grand Total	-	1649	-	390

What is your gender?				
	Budget Survey		Community Panel	
	%	n	%	n
Female	54.2%	893	46.2%	180
Male	39.6%	652	53.1%	207
Prefer not to say	6.3%	103	-	<5
Total	-	1,648	-	390

Do you identify as the gender you were assigned at birth?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	91.8%	1482	-	-
No	0.9%	15	-	-
Prefer not to say	7.2%	117	-	-
Total	-	1,614	-	Not available

Do you have any long-standing illness or disability that limits your daily activity?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	13.3%	217	18.2%	71
No	77.4%	1,262	74.1%	289
Prefer not to say	9.3%	151	7.7%	30
Total		1,630		390

Telford & Wrekin Council Budget Consultation 2016-18 – Results Report

What is your ethnic origin?				
	Budget Survey		Community Panel	
	%	n	%	n
White British	92.4%	1,498	89.5%	349
White Irish	0.7%	12	-	<5
White Polish	0.5%	8	-	-
Other White Background	1.5%	24	2.1%	8
Mixed White and Black Caribbean	0.3%	5	-	<5
Mixed White and Black African	-	0	-	-
Mixed White and Asian	-	<5	-	-
Other Mixed Background	-	<5	-	-
Asian and Asian British – Indian	0.7%	12	-	<5
Asian and Asian British - Pakistani	-	<5	-	<5
Asian and Asian British – Bangladeshi	-	<5	-	-
Other Asian background	-	<5	-	-
Black or Black British – Caribbean	-	0	-	<5
Black or Black British – African	-	0	-	-
Chinese	0.4%	7	-	-
Gypsy	-	<5	-	-
Other Ethnic background	2.5%	40	-	<5
Not Known			6.2%	24
Total	-	1,621	-	390

What is your sexual orientation?				
	Budget Survey		Community Panel	
	%	n	%	n
Bi-sexual	0.9%	14	-	-
Lesbian/Gay	1.5%	25	-	<5
Prefer not to say	12.8%	209	74%	290
Straight/Heterosexual	84.8%	1,380	25%	95-100
Total	-	1,628	-	390

Are you a carer of an adult over the age of 18 years?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	10.8%	176	3.3%	13
No	82.9%	1353	23.1%	90
Prefer not to say	6.4%	104	73.6%	287
Total	-	1,633	-	390

Do you have an armed forces connection, e.g. currently serving, a reservist, veteran or a dependent of a current or former member of Her Majesty's Armed forces?				
	Budget Survey		Community Panel	
	%	n	%	n
Yes	14.1%	233	-	-
No	80.2%	1,330	99.5%	388
Prefer not to say	5.7%	95	-	<5
Total	-	1,658	-	390

Appendix 18.

Telford & Wrekin Council: Efficiency Strategy & Plan 2016/17 to 2019/20

1. Purpose

- 1.1. This strategy has been developed so that the Council can qualify for a 4-year funding settlement from Government and also benefit from some flexibility in the use of capital receipts generated in the three years starting April 2016. We believe a 4-year settlement is essential to the medium-term financial stability of the Council although the 4 year settlement only relates to Revenue Support grant which is a decreasing proportion of total Council funding. It will, however, help us to plan our future budget strategy and what services will be delivered – this is essential for both the community and Council employees, particularly in a period when resources are severely constrained by the protracted cuts to grant.
- 1.2. This efficiency strategy is a summary of appropriate sections of the Council's Service & Financial Plan for 2016-2018 which identifies how efficiencies and savings will be delivered. The full report can be found at www.telford.gov.uk/budget .
- 1.3. In line with available Government guidance, this strategy includes three themes:
1. Our approach to delivering efficiencies to make £30m of savings.
 2. How new flexibilities in the use of capital receipts will be used
 3. Prudential Indicators for 2016/18 to ensure borrowing by the Council is affordable in the medium to long term.
- 1.4. This strategy will be reviewed annually and updated with the progress made delivering each of these themes.

2. Delivering Efficiencies

- 2.1. Telford & Wrekin Council has a proven track record of delivering savings and efficiencies. In the past 6 years the Council has delivered £80m savings including:
- Reduced the number of jobs by over 1,270 since April 2010, saving around £22.5m pa following a major redesign and restructuring of the organisation. Reduced the size of the senior management team by 60%.
 - Cut back-office costs by around 45% since 2009, saving £9.1m a year.
 - Delivered £11.3m procurement savings over the past 7 years by renegotiating and re-tendering contracts for the provision of services.

- As part of our business winning approach, forecast to generate an extra £7.1m income by 2018, through growth in business rates and council tax since April 2013.
- Receive £6.4m in 2016/17 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply and to recognise the increased costs arising from doing so.
- Increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin and developing a Council owned solar farm and a wholly owned Company that will develop and rent houses at market rents in order to provide income to support front-line Council services.
- Worked in partnership with other local authorities and statutory agencies. Including the West Mercia Youth Offending Service (WMYOS) established in partnership with Worcestershire, Hereford, Shropshire, health, police and probation.
- Reduced the office space we use by a third, saving the Council £2m pa.

2.2. Moving forward the Council has to deliver a further £30m of savings over the next 2 years. Our themes and projected savings for each one for the next two financial years are:

Theme	Projected savings		
	2016/17 £	2017/18 £	Two year total. £
A. Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services:	601,770	1,471,380	2,073,150
B. Challenging & changing, reviewing and reimagining the way we do things.	15,243,300	8,131,070	23,374,370
C. Reducing our dependency on Government grants.	2,467,960	2,702,750	5,170,710
Total	18,313,030	12,305,200	30,618,230

These 3 themes are underpinned by a fourth theme “Being a modern organisation with modern practices where we always get the basics right”.

3. Capital Receipt Flexibility

3.1. As part of the local government settlement for 2016/17, Government announced greater flexibility for Council’s in how they make use of capital receipts - the

money received when an asset such as a building is sold. Councils currently are only allowed to spend such money on further capital projects, however the Government has announced that Councils are to have greater flexibility as to how they spend this money. In 2016/17 we propose to use this flexibility for £5.8m of capital receipts. This will be used to fund:

- £4.3M to fund severance costs as the Council will lose a significant number of employees over the next 2 years as we continue to down-size
- £1.5M invest to save fund to generate ongoing savings including from developing community capacity to deliver services which the Council will no longer afford to provide.

4. Prudential Indicators

4.1. The attached report (include link) sets out the Council's prudential indicators for 2016/17. These indicators are designed to ensure that the Council's capital borrowing is affordable and does not place undue burden on the Council's revenue budget or Council tax payers (i.e. the cost of servicing the interest paid on capital borrowing). This report forms part of the overall service and financial planning strategy which was approved at full Council on 3rd March 2016.

TELFORD & WREKIN COUNCIL

COUNCIL - 3 MARCH 2016

SERVICE & FINANCIAL PLANNING 2015/16 – 2018/19: CAPITAL PROGRAMME

REPORT OF THE MANAGING DIRECTOR, CHIEF FINANCE OFFICER (THE ASSISTANT DIRECTOR: FINANCE & HUMAN RESOURCES), THE DIRECTOR: CUSTOMER, NEIGHBOURHOOD & WELL-BEING SERVICES AND THE ASSISTANT DIRECTOR: CUSTOMER & NEIGHBOURHOOD

LEAD MEMBER: CLLR LEE CARTER

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report details the revised capital programme for 2015/16 and the proposed capital programme for 2016/17 to 2018/19, together with the Capital Strategy (including the proposed Asset Management Plan and related Building Maintenance and the Highways and Transport capital investment programme).

2. RECOMMENDATIONS

2.1 Members are asked to approve the report and associated capital estimates for 2015/16 and 2016/17 – 2018/19, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV).

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

3. SUMMARY IMPACT ASSESSMENT

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

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

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

Will the proposals impact on specific groups of people?

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

**TARGET
COMPLETION /
DELIVERY DATE**

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

**FINANCIAL/VALUE
FOR MONEY IMPACT**

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

LEGAL ISSUES

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

**OTHER IMPACTS,
RISKS AND
OPPORTUNITIES**

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

**IMPACT ON
SPECIFIC WARDS**

Yes/No Proposals affect all wards in the Borough

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

- 4.1 This report presents the Council's Capital Strategy for 2015/16 – 2018/19 and later years and a capital programme of £264.299m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2016/17 and the three year Highways & Transport capital investment programme.
- 4.2 The strategy and programmes address our corporate priorities in conjunction with the service and financial planning strategy.
- 4.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2016/17 budget and future projections, while the cost of government supported allocations is currently met through a combination of what remains of Revenue Support Grant after the significant cuts of recent years and direct capital grants. No new government supported allocations will be issued, this is offset by a partial switching to capital grant.

- 4.4 The Asset Management Plan sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme for 2016/17. The building maintenance programme has been set in accordance with the proposed budget 2016/17 – 2018/19.

5.0 **STRATEGIC OVERVIEW**

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

- The retrenchment of public spending by the Government - the Council is facing the challenge of making significant savings, totalling over £80m over the past 6 years whilst trying to protect front-line services as far as possible. Our Service and Financial Planning Strategy sets out our response to this challenge and how these savings are being identified and delivered.
- Being a Cooperative Council and reshaping the relationship between the Council, its employees, the community and partners to:
 - **Improve and bring public services together;**
 - **Involve local people and our employees more in planning and running our services;**
 - **Strengthen and develop our communities and encourage people to do more to help their own communities;**

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

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

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

We will:

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

Capital investment clearly plays a key role in the achievement of our local priorities. Through our Asset Management Plan and Capital Strategy **we seek to maximise the**

value and opportunities of our assets to take forward the delivery of emerging strategic priorities.

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

- “Pride in your Community” – we are completing the second year of this programme which includes an investment of £8m capital and £1.86m revenue funding over 2 years (2014/15 and 2015/16) across the Borough to regenerate communities by improving the physical environment and the appearance of our neighbourhoods. This is a resident focused investment programme, to complement the Council’s business and housing growth agenda and will help ensure that the Borough is an attractive place for people to live in and to locate businesses in so supporting our growth agenda.
- A commercial Housing Investment Programme which will see over 400 housing units built for private rent by a wholly owned company producing an income to help reduce the cuts to essential front-line services as well as creating an appreciating asset and associated commercial development by the Council’s Property Investment Portfolio.
- “Investing in our Roads” - The Council is committing to a programme of £2m pa (over and above the allocations that we receive from Government and the part of the “Pride in your Community” funding that will also supplement the roads programme) to maintain our road network for the next 3 years – a total investment by the Council over this period of £6m.
- Investing in land stability schemes to protect the Ironbridge Gorge – the area’s biggest tourist attraction and the West Midlands region’s only World Heritage Site.
- Nearly £200m will have been invested in Building Schools for the Future which will see seven new secondary schools re-built and a further six secondary schools re-modelled, alongside two re-built Primary Schools and new or refurbished community leisure facilities.
- A commitment to re-run the very successful Community Pride Fund in 2017/18 making a further £1m of capital grants available to our community.

6.0 **CAPITAL STRATEGY: 2015/16 – 2018/19**

- 6.1 During 2016/17, we are planning to invest **£98.895m** as part of a **£264.299m** capital programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council's own resources (capital receipts), and Prudential Borrowing by the Council. Over the planning period, our capital programme is as follows:

Priority Area	Total £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m
Adult Social Services	1.222	1.022	0.200	0.000	0.000	0.000
Development, Business & Employment	49.478	7.898	24.091	10.053	7.436	0.000
Customer & Neighbourhood Services	91.456	22.696	32.594	19.933	7.860	8.373
Education & Corporate Parenting	45.912	37.080	4.895	3.084	0.153	0.700
Health & Well-Being	2.470	1.705	0.153	0.153	0.153	0.306
Cooperative Council & Commercial Delivery	5.981	0.167	5.814	0.000	0.000	0.000
Legal Procurement & Commissioning	0.246	0.060	0.062	0.062	0.062	0.000
Finance & Human Resources	0.495	0.185	0.170	0.070	0.070	0.000
Commercial Services	67.039	18.287	30.916	16.937	0.789	0.110
	264.299	89.100	98.895	50.292	16.523	9.489

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

7.0 CAPITAL PLANNING FRAMEWORK

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

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

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

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

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

(i) Approach

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

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

(ii) Capital Strategy Process

a) Strategic Review of Needs

7.5 We annually review plans and priorities for capital spending. This is done as part of the annual corporate planning process and the outcome of major policy and/or service

reviews. In seeking to determine priorities for investment and action, it is important to understand the key issues, needs and opportunities that need to be addressed. The following documents in particular map these out in detail, these are:

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

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

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

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

b) Strategic Consideration of Priorities, Resources and Resource Implications

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

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

7.8 The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2016/17 has been developed around the following principles and processes:

- Corporate Strategic Planning Assessment:

7.9 Revenue and capital budgets are planned together as far as practicable each year. Desired spending has been prioritised and narrowed down into an overall capital strategy taking account of local, national and regional priorities. National priorities are

considered within the parameters of the Government's Annual Capital Guidelines (ACG's) for major service areas.

- Options Appraisal to Secure Value for Money:

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

c) Detailed Capital Programme

- 7.11 The Strategic Assessment of capital spending priorities is then subjected to further internal and external consultation and translated into an achievable phased programme across the whole Council with clearly agreed and identified:
- Revenue implications.
 - Procurement Arrangements;
 - Timescales, project management arrangements and accountabilities;

Annex I sets out details of our committed Capital Programme 2015/16 – 2018/19 and Detailed Analysis of Capital Grants.

d) Control, Monitoring, Performance Management & Review

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

8.0 ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

- 8.1 The Asset Management Plan (Annex III) and associated data on Property (i.e. condition, suitability, sufficiency, access, asbestos surveys) informs the Council's Building Investment Programme. The Council has completed all surveys for Operational Properties used for the delivery of its services and these are updated on a rolling programme each year. The Council's Asset Management Plan 2016 /2019 has identified a condition backlog of £7.5million for Operational Properties (excluding schools) and £21.5m for Schools / education properties. The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future Programme

(BSF). The Operational Property backlog will also show significant reductions as a result of Property Rationalisation and investment in retained buildings.

- 8.2 The Building Investment Programme as identified in Annex II, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2016/17 is £1.073m for Educational Assets and £0.7m for all other Operational Assets. The budget allocations do not take into account the capital investment relating to Schools and the secured investment relating to BSF which will greatly reduce the condition backlog for Education Properties as part of the building rationalisation process. In addition to the above capital allocations, Schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the School building stock on a day to day basis.

Condition backlog as detailed in the Asset Management Plan

Priority 1

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

Priority 2

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

Priority 3

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

- 8.3 Previous year condition comparisons

		2010	2011	2012	2013	2014	2015
Schools	P1-P3	£29,352,678	£28,593,580	£30,652,623	£24,617,893	£21,529,991	£18,939,529
Operational	P1-P3	£11,080,659	£12,766,526	£8,770,020	£8,369,886	£7,480,279	£6,806,221

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

- 8.4 The Asset Management Database is analysed on a yearly basis as the priorities may change due to new findings as part of continuing re-surveys of property. Emergencies that occur within the financial year may also lead to reprioritisation of the allocated budgets and a change to the programme identified.
- 8.5 In accordance with prioritisation as set out in the Asset Management Plan we have identified the building maintenance programme for 2016/17 as identified in Annex II; all schemes listed are deemed necessary in order to maintain service delivery.

9.0 PARTNERSHIP AND CROSS CUTTING ACTIVITY

9.1

The Council actively works with partners to maximise assets for example through various co-locations of services which is a key feature in particular of the Learning

Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

10.0 CONSULTATION

10.1 The Council has been engaging widely with the local community around service and financial planning. Further details are set out in the over-arching Service and Financial Planning report considered by Cabinet on 8 January 2016. As capital programmes are being rolled out there will be a need for further consideration on consultation with the public.

11.0 RESOURCES

11.1 Mainstream Government Supported Borrowing

The main borrowing allocations still to be used are, no future allocations will be received:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m
Education & Corporate Parenting	1.336	0.000	0.000	0.000	0.000
Customer & Neighbourhood Services	0.062	0.000	0.000	0.000	0.000
Total	1.398	0.000	0.000	0.000	0.000

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

11.2 Supplementary Grants

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

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m
Adult Social Services	0.672	0.000	0.000	0.000	0.000
Development, Business & Employment	0.87	1.395	0.007	0.000	0.000
Customer & Neighbourhood Services	9.620	24.416	12.276	2.778	8.373
Commercial Services	2.847	0.500	0.000	0.000	0.000
Health & Well-Being	0.507	0.096	0.096	0.096	0.192
Education & Corporate Parenting	15.016	3.084	2.783	1.025	0.000
Total	29.449	29.491	15.162	3.899	8.565

11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £51.529m shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Service & Financial Planning Strategy. The Government have offered some flexibility in the use of capital receipts generated during the 3 years starting April 2016. New capital receipts may be used to fund revenue costs associated with reform projects that generate ongoing revenue savings provided that full Council approves an "Efficiency Plan". Telford & Wrekin Council has taken advantage of this flexibility offered by the Government and the service and financial planning strategy has been prepared to allow the flexibility to do so with the anticipated Capital Receipts in 2016/17 of £5.814m being allocated to fund capitalisation of revenue spending in relation to efficiency expenditure. Prudential borrowing has increased as a consequence.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m
Total	2.868	5.814	7.037	10.810	25.000

11.4 Prudential Borrowing Regime

Within the budget strategy for 2015/16 to 2018/19 the level of Prudential Borrowing assumed is as follows:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m
Total	49.626	52.351	22.082	0.278	-24.076

11.5 Overall Resources Position

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

Resources Available	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Later Years £m	Total £m
Government Allocations						
Customer & Neighbourhood Services	0.062	0.000	0.000	0.000	0.000	0.062
Education & Corporate Parenting	1.336	0.000	0.000	0.000	0.000	1.336
	1.398	0.000	0.000	0.000	0.000	1.398
Grant Allocations						
Adult Social Services	0.672	0.000	0.000	0.000	0.000	0.672
Development, Business & Employment	0.787	1.395	0.007	0.000	0.000	2.189
Customer & Neighbourhood Services	9.620	24.416	12.276	2.778	8.373	57.463
Health & Well-Being	0.507	0.096	0.096	0.096	0.192	0.987
Commercial Services	2.847	0.500	0.000	0.000	0.000	3.347
Education & Corporate Parenting	15.016	3.084	2.783	1.025	0.000	21.908
	29.449	29.491	15.162	3.899	8.565	86.566
Other Resources						
Capital Receipts	2.868	5.814	7.037	10.810	25.000	51.529
Revenue/External	5.759	11.239	6.011	1.536	0.000	24.545
Prudential Borrowing	49.626	52.351	22.082	0.278	-24.076	100.261
	58.253	69.404	35.130	12.624	0.924	176.335
Total	89.100	98.895	50.292	16.523	9.489	264.299

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

12.0 CONCLUSION

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

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

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

12.3 We are committed to maximising the effectiveness of our assets and capital spending and to identifying or creating opportunities to attract external funding resources. **Our**

focus is on delivering our priorities and policy objectives and on ensuring that our vision for the community can, each year, become more of a reality for local people.

13. PREVIOUS MINUTES

13.1 Cabinet 7 January 2016 – Service & Financial Planning 2016/17 to 2017/18

14.1 Background Papers

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

Report prepared by

Ken Clarke, Assistant Director: Finance & Human Resources (01952 383100)

Jon Power, Delivery & Planning Manager (01952 380141)

Bernie Morris, Finance Team Leader (01952 383702)

Jonathan Rowe, Director: Customer, Neighbourhood & Well-being Services (01952 382900)

Angie Astley, Assistant Director: Customer & Neighbourhood Services (01952 382400)

Capital Programme - 2015/16 to 2018/19 & Later Years

Policy Area	Total £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000
Adult Social Services	1,222	1,022	200	0	0	0
Development Business & Employment	49,478	7,898	24,091	10,053	7,436	0
Customer & Neighbourhood Services	91,456	22,696	32,594	19,933	7,860	8,373
Education & Corporate Parenting	45,912	37,080	4,895	3,084	153	700
Health & Well-Being	2,470	1,705	153	153	153	306
Co operative Council & Commercial Delivery	5,981	167	5,814	0	0	0
Legal Procurement & Commissioning	246	60	62	62	62	0
Finance & Human Resources	495	185	170	70	70	0
Commercial Services	67,039	18,287	30,916	16,937	789	110
	264,299	89,100	98,895	50,292	16,523	9,489
Resources						
Borrowing Approval	1,398	1,398	0	0	0	0
Government Grant	86,566	29,449	29,491	15,162	3,899	8,565
Prudential	100,261	49,626	52,351	22,082	278	(24,076)
Capital Receipts	51,529	2,868	5,814	7,037	10,810	25,000
Revenue	3,518	1,790	678	1,050	0	0
External	21,027	3,969	10,561	4,961	1,536	0
Total funding	264,299	89,100	98,895	50,292	16,523	9,489

Capital Programme - 2015/16 to 2018/19 & Later Years
Scheme Summary showing major schemes separately

Assistant Director	Scheme	Expenditure						Funding					
		Total £'000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	ater Years £'000	Government Gr £'000	Prudential £'000	ipital Recei £'000	rowing Appr £'000	Revenue £'000	External £'000
Adult Social Services	Social Care Capital Grant	621	621	0	0	0	0	621	0	0	0	0	0
	ICT Social Care Review	601	401	200	0	0	0	51	550	0	0	0	0
		1,222	1,022	200	0	0	0	672	550	0	0	0	0
Health & Well-Being	Day Opportunities for Adults with Learning Disabilites	1,379	1,379	0	0	0	0	341	0	1,028	0	10	0
	Parks for People	1,080	315	153	153	153	306	646	434	0	0	0	0
	Health & Well-Being Other Schemes	11	11	0	0	0	0	0	11	0	0	0	0
		2,470	1,705	153	153	153	306	987	445	1,028	0	10	0
Development Business & Employment	Town Centre - Phase 1 & Accommodation Strategy	882	882	0	0	0	0	0	131	516	0	235	0
	Dawley Regeneration	483	243	240	0	0	0	0	254	229	0	0	0
	Borough Towns Initiative	31	31	0	0	0	0	0	0	31	0	0	0
	Superfast Broadband Programme	3,977	650	2,185	1,142	0	0	1,999	960	757	0	261	0
	Every Day Telford - Pride Hollinswood Centre	1,949	1,699	250	0	0	0	0	1,339	502	0	8	100
	Hadley Local Centre Phase 1 & 2	0	0	0	0	0	0	0	0	0	0	0	0
	Brookside	1,041	1,041	0	0	0	0	0	1,041	0	0	0	0
	Asset Management Plan - General Works & Surveys	2,856	756	700	700	700	0	0	2,676	180	0	0	0
	Commercial Investment Project	5,155	50	5,105	0	0	0	0	4,655	500	0	0	0
	HCA Land Deal	5,281	559	2,004	1,936	782	0	0	0	0	0	0	5,281
	Land Deal Board Schemes	2,766	141	1,096	775	754	0	0	0	0	0	0	2,766
	Property Investment Programme	22,410	889	11,521	5,000	5,000	0	0	22,410	0	0	0	0
	Development Business and Employment other schemes	2,647	957	990	500	200	0	190	763	1,694	0	0	0
		49,478	7,898	24,091	10,053	7,436	0	2,189	34,229	4,409	0	504	8,147
Customer & Neighbourhood Services	Ironbridge Gorge Stability	6,602	4,984	1,618	0	0	0	1,224	5,378	0	0	0	0
	Every Day Telford - Pride in your Community	5,629	4,599	30	1,000	0	0	0	4,629	0	0	1,000	0
	Transport & Highways Schemes	75,873	11,473	30,056	18,522	7,449	8,373	55,909	14,669	0	62	18	5,215
	Customer Services Systems Development	2,342	930	590	411	411	0	330	1,412	0	0	600	0
	Box Road	710	710	0	0	0	0	0	710	0	0	0	0
	Wellington Fitness	300	0	300	0	0	0	0	300	0	0	0	0
		91,156	22,696	32,294	19,933	7,860	8,373	57,463	26,798	0	62	1,618	5,215
		0	0	0	0	0	0	0	0	0	0	0	0
Education & Corporate Parenting	Building Schools For The Future	33,059	28,938	3,189	529	403	0	14,709	-5,924	23,332	1,268	-333	7
	Service Transformation - Invest To Save	300	0	150	150	0	0	0	300	0	0	0	0
	Education & Corporate Parenting All Other Schemes	12,553	8,142	1,556	2,405	-250	700	7,199	25	852	68	322	4,087
		45,912	37,080	4,895	3,084	153	700	21,908	-5,599	24,184	1,336	-11	4,094
Commercial Services	ICT/ eGov	4,046	1,514	590	1,353	589	0	30	2,619	0	0	1,397	0
	Supported Independent Living - Disabled Facilities Grant	1,073	1,073	0	0	0	0	849	224	0	0	0	0
	Housing Related Schemes	6,566	2,881	3,575	0	0	110	2,468	2,243	1,035	0	0	820
	Housing Company - Housing	54,117	12,182	26,551	15,384	0	0	0	47,242	4,125	0	0	2,750
	Commercial Services other schemes	1,237	637	200	200	200	0	0	1,236	0	0	0	1
		67,039	18,287	30,916	16,937	789	110	3,347	53,564	5,160	0	1,397	3,571
Co operative Council & Commercial Delivery	Commercial & Business Fund	140	140	0	0	0	0	0	0	140	0	0	0
	Efficiency Schemes Capitalisation	5,814	0	5,814	0	0	0	0	0	5,814	0	0	0
	Solar farm	27	27	0	0	0	0	0	27	0	0	0	0
		5,981	167	5,814	0	0	0	0	27	5,954	0	0	0
Legal Procurement & Commissioning	Legal Fees	246	60	62	62	62	0	0	246	0	0	0	0
		246	60	62	62	62	0	0	246	0	0	0	0
Finance & Human Resources	Managing the funding of the Capital Programme	115	115	0	0	0	0	0	-10,679	10,794	0	0	0
	Finance & Human Resources other schemes	380	70	170	70	70	0	0	380	0	0	0	0
		495	185	170	70	70	0	0	-10,299	10,794	0	0	0
		264,299	89,100	98,895	50,292	16,523	9,489	86,566	100,261	51,529	1,398	3,518	21,027

TELFORD & WREKIN COUNCIL

CABINET – 25 FEBRUARY 2016

COUNCIL – 3 MARCH 2016

PLANNED BUILDING INVESTMENT PROGRAMME 2016/17

**REPORT OF ASSISTANT DIRECTOR DEVELOPMENT BUSINESS &
EMPLOYMENT**

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned building capital maintenance programme for financial year 2016/17, in accordance with Service and Financial Planning 2015/16 to 2016/17.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the planned building capital maintenance programme for 2016/17 as identified as part of this report and agree that officers may enter into any contracts necessary to deliver the works in accordance with the requirements of the Contract Procedure Rules.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining Council property provides an environment for high quality services to be delivered. The investment contributes to the delivery of the following priorities: • Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. • Putting Children & Young People first. • Regenerating neighbourhoods in need, and ensuring access to suitable housing.
	Will the proposals impact on specific groups of people?	
	Yes	All residents accessing Council Services
TARGET	Most projects will be delivered during the financial	

COMPLETION/DELIVERY DATE	year 2016/17. Larger projects may cover more than one financial year.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the planned programme of works £1,284,513 Educational and £700,000 Operational (as detailed in Appendix A). Confirmation of the Education capital allocations for 2016/17 have not been received and are expected to be notified shortly by the Education Funding Agency, and appropriate adjustments to the programme of works will be made accordingly to ensure spend is within available funds.
LEGAL ISSUES	No	There are no direct legal implications arising from this report however any repair/ maintenance works will be subject to competitive procurement to ensure best value is achieved for the Council by complying with the Council's Contract Procedure Rules and any applicable EU requirements.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Where improvements are made to properties, other opportunities when the works are being undertaken are investigated and implemented where possible. This may include contributing to larger schemes where a maintenance liability will be reduced or reducing energy costs.
IMPACT ON SPECIFIC WARDS	No	Borough wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Asset Management Plan and associated data on property (i.e. condition, suitability, sufficiency, access, asbestos) informs the Council's planned building capital investment programme. The Council has completed condition surveys for operational properties used for the delivery of its services. These are updated on a rolling programme each year. The Council's Asset Management Plan 2016-2019 has identified a condition backlog of approximately £6.80M for operational properties (excluding schools) and £18.94M for schools/educational properties.

The school condition back log at secondary level has been significantly addressed over the last few years with the investment from the Building Schools for the Future programme.

The planned building capital investment programme as identified in Appendix A, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2016/17 is £1,284,513 for Educational assets and £700,000 for all other operational assets. The budget allocations do not take into account the capital investment relating to expansion of schools. In addition to the above capital allocations, schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for maintaining and investing in the school building stock on a day to day basis.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining buildings ensures that Council Services are delivered efficiently and with service continuity. Many of the key services are delivered from the Council's property portfolio and are the first key point of contact with our customers.

Equalities Impact

Where possible, as part of the planned building capital investment funding, improvements to accessibility will be carried out. Where improvements to existing facilities are being undertaken, Equalities Issues (i.e. baby changing facilities) are also included as part of the scheme. This allows the Council to increase access to public buildings for people with disabilities.

Environmental Impact

Environmental improvements are incorporated into schemes where appropriate, in an aim to reduce the Council's Carbon Emissions. This will improve the Council's Carbon Reduction Commitment liability and reduce any financial penalties that may be incurred under the scheme.

6. PREVIOUS MINUTES

N/A

7. BACKGROUND PAPERS

Asset Management Plan 2015-2019 (refreshed 2016)

**Report prepared by Chris Goulson,
biT Service Delivery Manager
Telephone: 01952 384302**

APPENDIX A - Education Planned Building Capital Maintenance Programme 2016/17

Asset	Description of Works	Estimated Budget	Corporate Priorities	Ward
Apley Wood Primary	Contribution to Reception extension	£14,300	• Improve prospects through education & skills training. • Putting Children & Young People first.	Apley Castle
Arthog Outdoor Education Centre	Phase 2 Re-wire	£120,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Outside Borough
Burton Borough School	Contribution to Music Block	£100,000	• Protect and support vulnerable children and adults. • Putting Children & Young People first.	Newport South and East
Captain Webb Primary	Roof Replacement Phase 1	£90,000	• Protect and support vulnerable children and adults. • Putting Children & Young People first.	Dawley and Aqueduct
Crudgington Primary	Kitchen adaptations	£35,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Edgmond and Ercall Magna
Grange Park Primary	Demountable Relocation Feasibility	£10,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	The Nedge

High Ercall Primary	Electrical Works	£50,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Edgmond and Ercall Magna
Holmer Lake Primary	Kitchen adaptations/Window Replacement	£270,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	The Nedge
John Fletcher of Madeley Primary	Roof Replacement and Curtain Walling	£255,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Madeley and Sutton Hill
Ladygrove Primary	Boiler Replacement	£35,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Dawley and Aqueduct
Newport Infant	Kitchen adaptations	£70,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Newport South and East
Randlay Primary	Kitchen Adaptations	£30,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	The Nedge
St Georges CE Primary	Roof Enhancements	£18,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	St Georges
Wrekin View Primary	Roof Enhancements	£50,000	• Improve prospects through education & skills training. • Putting Children & Young People first.	Park

Various Schools	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all school properties. Where removals are required these will be prioritised using the Asbestos Management survey data.	£75,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. • Improving health and wellbeing of communities.	Various
Various Schools	Data updates - to update the asset management data. This will include condition and suitability surveys and updated drawing/floor plans of buildings as and when upgrades are carried out.	£75,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing.	Various
Various Schools	Emergency works / Access Works / Security Works - budget allocation for emergency works or where school security/access issues are identified. Examples are major boiler failures. This will ensure that schools are able to remain operational with minimum closures.	£67,213	• Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Various
Various Schools	Energy Efficiency Funding and Schools Accessibility - To ensure that the Council meets its obligations regarding legislative carbon reduction and disabled accessibility.	£10,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Protect and support vulnerable children and adults. • Improving health and	Various

			wellbeing of communities.	
	TOTAL	£1,374,513		

Corporate Planned Building Capital Maintenance Programme 2016/17

Asset	Description of Works	Estimated Allocated Budget	Corporate Priorities Contributed to proposals	Ward
16 Carwood, Stirchley	Refurbishment	£35,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	The Nedge
Darby House	External Resurfacing	£140,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	Ketley and Overdale
Oakengates Leisure Centre	External Cladding	£150,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	Wrockwardine Wood and Trench

Various Properties	Corporate Painting Programme	£40,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	Various
Various Properties	Energy Usage reduction and energy efficiency in Corporate buildings	£10,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
Various Properties	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all operational. Where removals are required these will be prioritised using the Asbestos Management survey data.	£100,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	Various
Various Properties	Emergency works/unforeseen works - A reserve budget to cover landlord responsibilities for major unplanned replacements (i.e. boiler failure). This is required to ensure building stock continuity.	£160,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
Various Properties	Data Updates - to update the asset management data on operational assets. This includes condition and suitability surveys together with updated plans	£65,000	• Ensuring neighbourhoods are safe, clean and well maintained.	Various

	on 20% of properties.		Regenerating neighbourhoods in need, and ensuring access to suitable housing	
	TOTAL	£700,000		

Please note: - the costs shown in the above tables are estimates. Actual costs will be established by competitive tendering in accordance with the Councils Tendering Procedures. All figures are inclusive of Project Management/Design Fees

Corporate Property Asset Management Plan

2016/2020

A robust Asset Management Plan will inform decisions relating to Service Delivery, and bring major benefits to the local communities.

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Asset Management Plan/ Aims

2.0 Links to Key Plans and Objectives

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Core Data

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5.0 Operational Assets Key Drivers For Change and Initiatives

Building Rationalisation, New Ways Working

6.0 Regeneration Opportunities Across The Borough

Telford Town Centre

Borough Towns and Local Centres Regeneration

- Dawley & Malinslee
- Wellington
- Hadley
- Brookside
- Hollinswood

Building Schools for the Future

Leisure Facilities

Income Generation Opportunities

- Solar Farms
- Housing Investment Programme

7.0 Property Investment Portfolio PIP and Land Assets

Property Investment Portfolio

Land Strategy

Management of Homes & Communities Agency Assets

8.0 Asset Details & Performance

Statement of Assets

1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016. Emerging planning policy, 'Shaping Places' is currently being developed to take us through to 2031 with employment and residential sites having been consulted on in 2014 and 15. Shaping Places is focussed on "completing the New Town" and anticipates the borough's population will grow by 30,000 up to 2031. As a "Business Supporting, Business Winning" council we also welcome sustainable growth and through our Invest in Telford offer are actively pursuing this. However we recognise that continued growth and development of the area requires that services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management.

We are well placed to meet this challenge and critically in 2012/13 the Council was re-structured to integrate the traditional Planning and Economic Development roles alongside other property functions under a new service area of Development, Business and Housing. In 2013, the Skills function of the Council was also incorporated into the service area to create Development, Business & Employment, in recognition of the importance that skills play in the growth agenda and the direct link between development and employment This now provides a single point of contact for business, investors and developers and provides a seamless service from initial enquiry through identifying land/premises, supporting with the planning process to enabling the finished development. Our ability to support and deliver growth is critical in terms of securing a more prosperous future for the borough with growth helping to reduce unemployment and raise wage levels. Growth is also a key element of the Council's budget strategy going forward as we seek to take advantage of the government's initiatives to give local authorities greater control of their areas through New Homes Bonus and retention of business rates. As a New Town, with approximately 100 hectares zoned for commercial development, plus zoned residential development land as yet undeveloped Telford is well placed and these changes will facilitate growth as part of the budget strategy.

The Asset Management plan sets out our proposals to effectively manage our assets in this context and focuses specifically on the following areas;

- Property and associated land used for operational purposes
- Property Investment Portfolio (property held for investment purposes)
- Land (held for future disposal or future operational use)

The Land Strategy, Operational Property Strategy and PIP Strategy all inter link to form a comprehensive approach to Asset Management covering Council property assets within Telford.

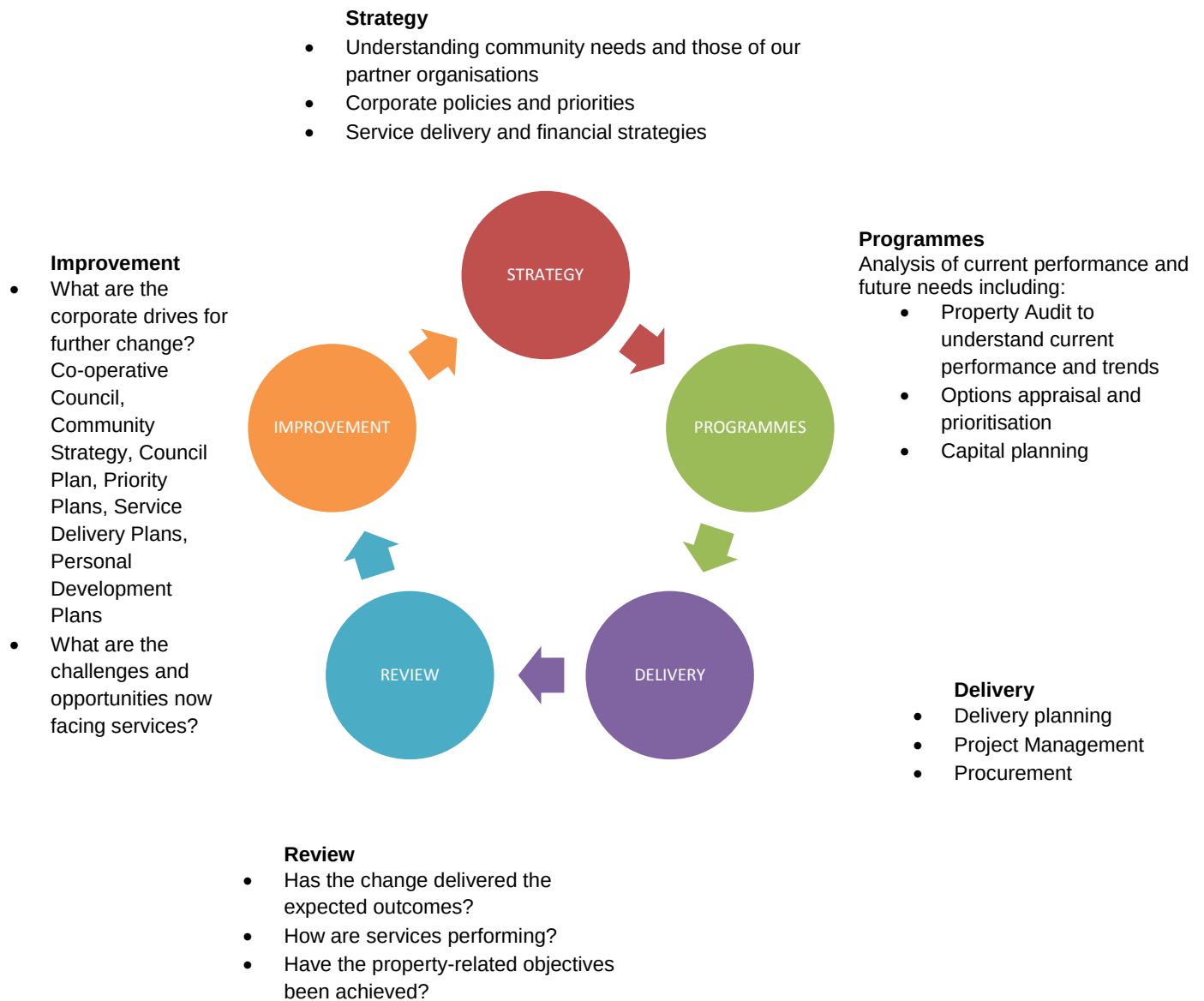
Asset Management Plan - Aims:

- Ensure assets are fit for purpose
- Maximise the use of assets
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property and outline objectives
- Ensure Asset Management decisions are co-ordinated and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess property performance and to support and facilitate improved service delivery

- Use land and buildings to facilitate the “growth” agenda and be the enabler of regeneration
- Optimise and prioritise the level of property investment, to meet the Council’s current and future service needs
- Promote the innovative use of property together with partners and stakeholders

2.0 Links to Key Plans and Objectives

The Co-operative Council approach details the Strategic Asset Management decision-making links within and across Services:



3.0 Data Management

The ability to make informed property decisions is dependent upon collating and updating accurate data.

Core Data

All Council Property Data is recorded on a Property Management System, which is designed to accommodate all forms of Property Data in a central location. The Property Management software brings all the main functions such as Asset Management, Capital Projects, Service Asset Register and Help Desk software together into one integrated solution. This provides greater exchange of information and a streamlined property database linked to a help desk. The software is Internet based and provides a direct link to customers and stakeholders, enabling them to access data and information in a user friendly environment.

- The Asset Register:

The Council maintains a central Asset Register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements. A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified. The Property Investment Portfolio is re-valued annually.

- Condition & Suitability

Condition Surveys of all Schools and Operational Buildings have been completed and are re-assessed as part of an ongoing re-survey process. Property data is captured across all service areas and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented. Similarly, this enables informed decisions on investment disposal.

- Asbestos

A comprehensive Asbestos Database is held incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management Data, ensuring that quality, up to date information is retained. In accordance with the Council's Asbestos Management Plan, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council targets available resources at priority items and manages the risks on site.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of Operational Properties, ensuring suitability of premises in relation to Service Delivery, has been carried out. The Audits are stored electronically on the central Asset Management Database and are accessible for stakeholders and managers via a web browser. This ensures ownership under the duties imposed as part of the Disability Discrimination Act (DDA).

- Energy and Efficiency

There is a dedicated energy module as part of the Asset Management Software System, which enables analysis of property related energy data. This data feeds into the Property Performance Indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of buildings to ensure resources are allocated in the right areas to reduce the carbon footprint. Carbon Reduction Commitment (CRC) has led to the Council obtaining accurate readings of all energy consumption and staff resources have been established to target high use buildings raising awareness amongst occupiers. The publication of the first CRC national league table has placed Telford & Wrekin Council at number 304 out of 2,100 Organisations. The league table ranks the United Kingdom's leading Public and Private Sector Organisations by the work they have completed on carbon management. This is an encouraging start which should improve as the BSF and Property Rationalisation programmes continue.

The first use of photovoltaics, taking advantage of the attractive feed in rates, has been completed with a private operator as part of the Wellington Civic & Leisure development. In addition, water harvesting has been installed at Hadley Learning Community, Old Park Primary and Short Wood Primary, together with sedum roofs to minimise water run off. Web enabled monitoring of heating and ventilation at new Schools is proving to be a significant benefit. This controlled management should result in meaningful reductions in energy usage, improving efficiency. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Councils carbon footprint.

- Measured Surveys

Accurate, comprehensive, measured Building Surveys are available on AutoCAD/ArchiCAD for all properties.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management System facilitates informed, property related decisions. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, access, sufficiency and asbestos, in the following areas (list not exhaustive):

- Review of office accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- BSF
- Property Rationalisation
- Borough Towns and Local Centre Regeneration
- Housing Investment
- Commercial Development

Maintenance Programme

The planned Maintenance Programme for 2016/17 has been submitted to Cabinet for approval in February 2016. This details the priorities set in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

In order to develop the capital programme an option appraisal is undertaken which consider; reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises, sharing premises and partnership with the Private Sector or other Public Sector Partners. Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project, than standard economic methods that focus solely on capital costs or operating-related costs in the very short term. Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This demonstrates that the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

Telford & Wrekin Council actively considers sustainability as part of asset provision, use and management and a Sustainable Procurement Strategy is embedded our commissioning approach. We are innovative in ensuring sustainability is part of all new-build and refurbishment schemes.

Key issues addressed in finalising the 2016/17 Capital Investment Programme include:

- The delivery of Capital Projects to underpin and support improved service delivery
- Property Rationalisation - planned investment in retained buildings to reduce maintenance back log
- Regeneration – support and Project Management to all Regeneration Projects
- Repair and Maintenance Programmes for the PIP will maintain income levels
- Climate Change/Energy Efficiency/ CRC

5.0 Operational Assets

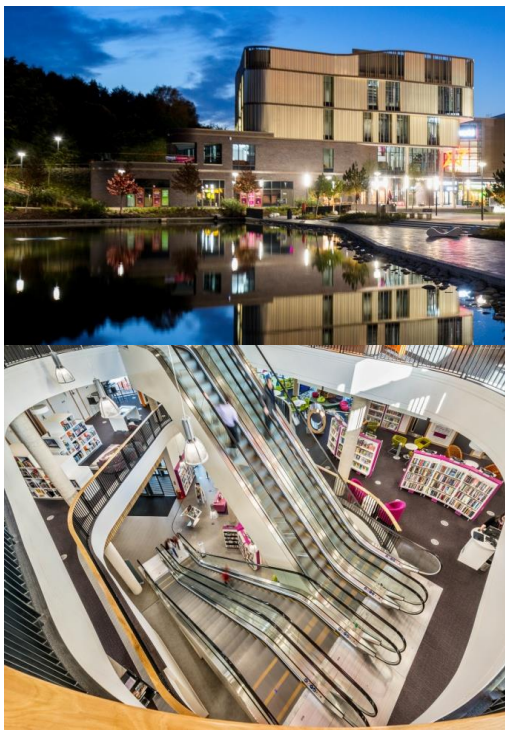
Property Rationalisation/ New Ways Working

Changing Work Patterns and Culture

2015/16 was primarily a year for consolidating the moves of the previous year and disposing of the vacated properties. Highfield House, 62 Wrekin Road and The Mount in Wellington have been sold for residential development, not only bringing further vitality and footfall to Wellington but again bringing revenue through the New Homes Bonus and Council Tax. The conversion of 62 Wrekin Road is now complete and The Mount, Highfield House and the Former library are also well towards completion. Phase 2 of our ongoing property rationalisation programme included the opening of Southwater One in July 2014. This consolidated a replacement town centre library with the One Stop Shop function from Addenbrooke House, freeing up a floor. This floor has now been used to extend Cafe Go to produce further revenue and provide additional meeting rooms. The remaining space will be considered for a further phase of consolidation and staff moves. A second move in February 2015 involved the relocation of Future Focus (careers advice) from Madeley to Southwater One enabling the lease on the current premises to be terminated and ensuring that this important provision for young people is in the most accessible location. This dovetailed with the Universities move reported earlier, which will provide synergies for the young people and students using the building. In July services were re located from Whitechapel House into Addenbrooke House and Euston Way to further reduce running costs by maximising use of space in existing buildings.

Following the Autumn Statement and the spending review a raft of service re structures are planned for next year. This is likely to lead to further accommodation moves to reduce space and cost and most importantly maintain service delivery.

Southwater One



6.0 Regeneration Opportunities across the Borough

Telford Town Centre

Southwater Development – Phase One



The Regeneration of Telford Town Centre is a key priority for Telford & Wrekin Council, partners and the region. The regeneration will underpin and support growth, stimulate and attract investment in the Borough and create a Town Centre responding to the needs of the community. Over the last few years, regeneration has focussed on the Southwater area with the council and private sector partners looking to invest circa £250m to deliver a comprehensive mixed use development. Phase one of the development an 11 screen IMAX Cineworld Cinema, Premier Inn hotel, 11 restaurants including tenants such as Nandos, Bella Italia, Zizzi and Chimichanga to name a few, a new multi-storey car park and a new Council building, Southwater One, to house the new Library and existing Council First Point bringing services to the heart of the town centre. The development is offset by high quality landscaping and public spaces including a new Southwater Lake.

Also included within the development is a new Energy Centre (housed in the extension to the rear of the Ice Rink). The Energy Centre provides heat and hot water to Southwater One and the Ice Rink. It also has the capacity to connect to future development such as the apartments and hotel proposed on the remaining development land in Southwater. The development now effectively links the shopping centre with The International Centre and Telford Town Park. The Council has worked closely with our public and private sector partners Citygrove, Southwater Event Group, and the Homes and Communities Agency to deliver this development.

David Wright M.P. opened Southwater One and the surrounding public realm to the public in July 2014 whilst the cinema and hotel opening followed in August 2014. The remaining restaurants opened throughout September and October 2014 with the official opening being held in October 2014 and attended by thousands of residents and visitors. Southwater is now a key asset within our wider “Destination” offer with work in 2015 focussing on the active promotion of the site for events and activities. A series of successful events have been held throughout 2015 including a lantern parade around the lake, a Boyzone concert in the Arena and choir singing at Christmas.

To the west of the development, on the site of the former Council offices, Asda opened their new 6,500 m2 store and petrol filling station in February 2014, having relocated from the northern quarter of the shopping centre.

Investment in Southwater has raised confidence levels amongst the private sector and acted as a catalyst for further investment. The owners of Telford Shopping Centre have announced a £200m investment in extensions to the Shopping Centre with the first investment to be focussed on the southern quarter, immediately adjacent to Southwater. Furthermore, in November 2014 it was confirmed that the University of Wolverhampton would be occupying the third floor of Southwater as a training and educational facility bring a higher education

offer to the town centre for the first time. This completes the occupation of the building and will bring further vitality to the area.

Phase two of Southwater will see the potential development of apartments and additional space for bars and restaurants, adjacent to Southwater Lake, a new hotel and associated car parking. The apartments will be delivered as part of the Council Housing Investment Programme. In December the refurbishment and extension of Meeting Point House was approved which will include bars and restaurants on the ground floor and a small theatre on the first floor. Hoardings went up before Christmas and the main works are due to start in January.



Borough Towns and Local Centres

The regeneration of the Borough to stimulate investment and development is critical. With reduced funding there is a need to be creative with the use of our assets to facilitate and achieve this. The majority of the centres have now been rebuilt or significantly refurbished.

Malinslee Local Centre

Malinslee was a typical local parade of shops constructed in the 1970's. A fire destroyed two of the four shops in 2010. An option appraisal was undertaken to explore alternative forms of redevelopment. Cabinet approved the construction of the new centre with the intention of residential development once the housing market returns. Construction started in November 2011 and was completed in May 2012. The completed development includes a new Primary School, learning facility, play areas and shops. The second phase of private development started in December 2013 including a new doctor's surgery and housing and completed in late 2015.



Hadley Local Centre

A major scheme to partly demolish (Phase 1 work) the 1970s shopping precinct and provide new retail and high quality public spaces secured Planning Consent and started on site in summer 2012. Phase one, which was completed in March 2013, involved the removal of a number of flats, apartments and retail units and replacement with new retail provision including a Tesco Express and five smaller units including a Gregg's. Phase two, which included the demolition of the remaining flats a further three retail units including a veterinary surgery and the readying of a residential development site was completed December 2014. The final phase is to re develop the car parking area with private rented housing under the Housing Investment Programme. (See later)

Phase Two Under Construction

Completed Units January 2014



Brookside Local Centre

As part of the Council's co-operative approach, Brookside has been identified as a key area of focus and investment and has become a pilot area for the Council in relation to this initiative. The Centre was a 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation, undertaken throughout 2012 with the Co-operative Council pilot group, Brookside residents, Public Sector Agencies, businesses and the third sector explored options for investment in the Local Centre. Following consultation it was agreed to rebuild the shop elements and refurbish the Community Centre to include the youth provision and make major improvements to the road access and public realm spaces. Construction work on the first phase including the new shops completed in January 2014 and the second phase completed in March 2015. This phase included the demolition of the old shops and flats together with the refurbishment of the Community Centre.

Brookside Construction January 2015



Hollinswood Local Centre

A similar scheme to Malinslee and Leegomery is nearing completion in Hollinswood. This involved the demolition of the existing shops and public house. These are being replaced with new shops plus an Activity Hub for Social Services providing for people with disabilities. The Hub is part of a further rationalisation of property and restructure of Social Services which will involve changing the service they offer and closing Halesfield 22 and Lakeside which are both no longer fit for purpose. The scheme will be complemented by landscaping and parking improvements as well as enhancements to the Community Centre. The proposal went out to public consultation in the summer 2014 and planning was approved in November 2014. The Woodcutter Public House which had attracted anti-social activity was purchased in July 2014 and was demolished as part of the enabling works in January 2015.

Construction started in March 2015. The shop phase opened in December and the Activity Hub is programmed for completion in March 2016 with the demolition of the flats in January 2016.

Woodcutter (Hollinswood) Demolition January 2015



Building Schools for the Future

The Council was awarded funding for Wave 4 of the Government's Building Schools for the Future (BSF) Programme. This is a one off chance to completely transform secondary education and community buildings within the Borough. Property & ICT lead and advise on all 'Technical' aspects of this Project and are responsible for delivery of the programme.

In order to deliver transformational change, the Council has considered co locating Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and re locating elsewhere.

In October 2009 after an extensive evaluation process Kier Construction were appointed for the first phase and work started at Abraham Darby, Madeley and Telford Langley, Dawley. At Abraham Darby this included a 420 place Primary School which opened in January 2012, a new leisure provision with 4 court sports hall and 6 lane swimming pool which also opened in January 2012 together with a 900 place Academy which opened Summer 2012. Phoenix started in November 2011 and included:

- New 900 place Telford Langley School together with 8 court sports hall, community sports provision and BMX track. Site setup started in February 2012 and completion was September 2013.

In addition further smaller extensions were completed at:

- Mount Gilbert, Dawley. New skills centre and internal alterations completed October 2012
- Newport Girls High School, Newport. A new multi use hall, removal of demountable classrooms and 4 new class bases completed October 2012.

Charlton School – Under Construction



Telford Priory School – Opened September 2015



The reduction in funding announced in October 2010 necessitated a further assessment of the programme. Combined with this and as part of the Government Regulations the BSF contract had to be retendered using Framework 2 as the new format. Using Ercall Wood Technology College as the sample school, the process of selecting a new contractor started in January 2012 with the successful bidder, Shepherds, appointed in the summer of 2012. Ercall Wood a 900 place Secondary School started in March 2013 and completed ready for the new academic year in September 2014. Adams Grammar school which was a refurbishment, new music centre and class rooms with a value of just over £3 million also completed for September 2014. Other schools listed below completed for September 2015 opening with the exception of Charlton, which is due to complete in March 2016.

- Burton Borough, Newport- Refurbished secondary school
- Holy Trinity Academy, Priorslee - New build secondary school
- Telford Priory School - New build secondary school linked to Oakengates Leisure Centre
- Telford Park School - New build secondary, primary and leisure facility
- Charlton - New build secondary school

Ercall Wood Technology College – opened September 2014



Lawley Village Academy

Elsewhere across the school portfolio a number of extensions, kitchen refurbishments, boiler replacements, re-roofing and other improvements have been undertaken. The largest project has been the construction of Lawley Village Academy a 7 class base Primary school with the capacity to extend to 14 class places when surrounding residential development completes. This opened in January 2016.



The Meadows Class Base Extension

At The Meadows, Ketley we were appointed to co-ordinate and design the provision of additional class rooms to accommodate the schools increased requirements with the inclusion of additional toilets, office space and MUGA facility. The buildings form creates an open and inclusive learning space while still corresponding with the scale of the various existing buildings.

It was designed and built using Passive House Principles with careful detailing to minimise thermal bridging and the specification of a SIPS system.

The building has an airtightness value of 0.94 m³/hour/m² at 50 Pascal and includes a range of other features such as triple glazed windows to further minimise air and heat loss and an MVHR system, providing essential ventilation and using exhaust air to heat incoming air to enable the purging of CO₂ during any weather without affecting the learning climate.



Extension Projects

Apley Wood Primary School saw the building of a new reception in October 2015 as did John Fletcher, Madeley which also saw extensive re-roofing works of well over £100,000. In the rural community Tibberton Primary school a new kitchen installed together with re wiring as part of the cyclical planned maintenance.

At Captain Webb, Dawley an interesting scheme was implemented. This including taking advantage of the modern accommodation at the former Phoenix School which had closed and incorporating it via a linking corridor with the Primary School. Together with extensive landscaping and fencing works a new reception was added to the school as well.

The Council also runs an educational and outdoor pursuit centre at Arthog, near Fairbourne, Gwynedd which caters for many schools within The Borough. This year we undertook an

extensive refurbishment which included new boilers, reception area and improvements to the accommodation block which totalled around £700,000.



Leisure Facilities

As part of the Councils Priority to improve the health and wellbeing of communities a programme to extend and improve leisure facilities across the Borough has been implemented. An extension to Newport Swimming Pool costing £1million to include a new fitness suite and refurbished changing rooms started in October 2013 and finished in March 2014. The scheme was very well received and significantly increased use at the centre benefitting the public and increasing revenue to the Council.

Following the successful refurbishment and extension to Newport Swimming Pool to include a fitness (Aspirations) suite which opened in March 2014, schemes to improve Oakengates Leisure Centre and Horsehay Village Golf and Fitness Centre were also commissioned.

Oakengates was programmed for early summer 2014 completion and linked to the BSF scheme to co locate a new secondary school to the adjoining site a complete refurbishment to the existing fitness suite was undertaken. This included the refurbishment of all the changing facilities at the centre which will be shared with the new school.

The Horsehay Village Golf Club started in October 2014 and the £700,000 scheme completed in April 2015.

Horsehay Village Golf & Fitness Centre



Lodge Road, Donnington

As part of the Councils long term strategy around traveller sites a bid to redevelop an existing site with 13 pitches into a new site with amenity building, play area and 25 pitches received grant funding from HCA. The scheme totalling just over £2 million included extensive ground works across previously mined areas and was carried out in two phases in order to reduce inconvenience to existing site occupiers. Phase one completed just after Christmas 2014 and the second phase completed at the end of March.

The scheme will contribute towards 'New Homes bonus' for the Council and will significantly reduce illegal encampments across The Borough which currently cost the Council over £20,000 per annum to clear up.

A scheme to replace the temporary transit site from Snedshill to Lodge Road was submitted to planning in November 2015 and works on the new site expected to start in January 2016.

Pre-Construction



Completion January 2015



Income Generation Opportunities

As well as using our land and property assets to deliver regeneration we are also looking at using them to facilitate income generating opportunities. Examples include the Solar Farm and Housing Investment Programme.

Solar Farm

The Council has just completed the building a 5MW capacity solar farm on 12 hectares of agricultural land at Wheatley Grange, Horton. The solar farm will be made up of more than 16,000 panels and will generate enough electricity to power more than 800 homes. Income generation has started immediately with a net figure of £180,000 for the first year.

The planning application for the solar farm was approved by the Council's Planning Committee in April 2014 and Izen Energy systems constructed the facility on behalf of the Council with completion occurring on ____

The project forms part of our strategy to:

- become more environmentally and financially sustainable
- reduce our carbon footprint
- offset cuts in central government funding
- protect frontline services

Solar Farm completed



Housing Investment Programme

Telford & Wrekin Council is delivering an ambitious growth agenda which has seen major investment in Telford in support of the Council's vision. The number of households in the market rented sector increased by 63% nationally and by 68% in the West Midlands between 2001 and 2011. In Telford & Wrekin the market has effectively doubled from 5,839 to 10,793 households.

The Council has established a Wholly Owned Company ("WOC") limited by shares to develop new homes to meet the Council's regeneration and growth objectives. The plans include building approximately 425 houses and apartments across 8 sites including the land at Randlay Lorry Park, Woodlands, Madeley Court, Newport Springfields, Matlock Avenue and Wildwood with a total investment value of approximately £52.6m. The WOC will create a number of jobs during the construction and operational phase, stimulating economic growth and regeneration opportunity. Construction started in summer 2015 and the first houses at Woodlands and Randlay are expected to be occupied in March 2016. Further phases are undergoing feasibility studies at sites in Hadley and Southwater, Telford Town Centre.

The Borough is one of the fastest growing areas in the West Midlands and recognised as a national growth point. Key to delivering this project is:

- to provide the right quality homes:

- to provide places to live; and
- to improve the attractiveness of Telford to inward investors.

To continue this investment, the Council has recognised that it can influence and support economic regeneration by promoting housing investment using stalled and brownfield sites that it currently owns and therefore embarked on the Housing Investment Programme (“HIP”).



7.0 Property Investment Portfolio (PIP)

The Authority holds a number of individual sites for Investment, Regeneration and Economic Development purposes. Details of all assets and their values based on CIPFA valuation principles are contained in the Authority's Asset Register (see Section 10). The PIP has an annual gross revenue target of £5.2 million.

The Regeneration & Investments Team continued to achieve in 2015, despite the continuing challenging economic conditions. The team has also, via a range of measures, delivered effective support to local businesses during the recent difficult economic climate. This included the offer of stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. Revenue income to the Council has been maintained, costs associated with holding empty property reduced, in particular Business Rates, and jobs within the Borough safeguarded.

Regeneration & Investments continued throughout 2015 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of underperforming assets in terms of income generation and those which were a significant drain on the repair and maintenance budget. The proceeds from such sales have been used to reinvest into investments capable of providing income and capital growth, have reduced maintenance liabilities and will deliver new employment opportunities for the Borough. Examples of the investments made include a prominent town centre car park at Hall Court and a new retail development within Southwater which has recently started on site with completion due in Summer 16.

In addition to the recycling of receipts generated to invest the Council has also set up a £20million Growth fund utilising prudential borrowing to invest in investment opportunities either of existing premises or new build.

Southwater

As part of the Councils delivery of the strategic regeneration project of Southwater as described within this AMP the PIP have invested in four new retail units and an office in 2014 which have been let to national and regional operators namely Green King plc, Costa, Wildwood, Wolverhampton University and Mimosa which combined generate some £385,000 per annum.



Key Achievements of the Investment Portfolio in 2015

- Continued assistance to customers during the economic downturn, via stepped rents, payment arrangements, and re-gearing of leases. This helped ensure achievement of the income target, and safeguarded jobs within the Borough
- Introduced new measures for debt collection through the use of High Court enforcement, which has resulted in the recovery of difficult long standing debts.
- Income at The Business Development Centre, Stafford Park 4 increased by a further £15,000 in addition to the increase in rental income by £65,000 for 2014
- Achieved a low void rate of 3.08% of the units, and improved the process to reduce the liability for Empty Property Rates
- Continued to engage in the use of other social media, such as Twitter to market available land and property
- Negotiated the surrender of the last farm business tenancy and successfully marketed the disposal of the land and farm house at Marsh Farm, generating a net receipt of over £600,000 against a previous rental income of £5000. The monies generated will be invested to generate an income in excess of £60,000 per annum.
- Effectively managed the repair and maintenance budgets ensuring expenditure is below approved levels

Plans and Developments 2016

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses
- Bring forward new developments utilising the newly created growth fund.
- Reduce the number of tenants who occupy by way of a licence by negotiating the grant of new leases, securing income for longer periods of time and increasing the investment value of assets held

- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees in return for lease flexibility
- Continue to reduce levels of current and former tenant debt and investigate alternative means of debt recovery
- Set and effectively manage repair and maintenance budgets for each individual asset, ensuring expenditure continues to be below approved levels
- Set and effectively manage service charge budgets for individual assets, ensuring expenditure is below approved levels
- Continue to refresh the Estates & Investments website, explore new means of marketing to attract new business and maximise revenue
- Continue to implement the Property Disposal Programme, reinvesting in assets capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP
- Continue to explore potential development and investment opportunities presented via The Stewardship Agreement held with The Homes & Communities Agency
- Increase occupancy levels at The Business Development Centre to 90%
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
- Work with the Inward Investment & Business Support Teams to target specific sectors to help reduce voids in offices

Continue to work with Business Support Officers on the provision of after care and business advice given to customers of the Council, further improving rates of retention.

Land Strategy

TWC Land Assets

The Land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc and amount to some 300 hectares (Ha). Specifically, the area excludes the site area of built Operational and Non-Operational Assets (which extends to some 700Ha). The aim of the Land Strategy, undertaken in 2010, was to undertake a detailed appraisal of each individual land asset by collating information from a number of sources into a single database.

The information obtained for each site includes:-

Site Description
 Site Area
 Existing Use
 Suitability for disposal
 Potential for alternative use
 Legal issues
 Planning issues
 Engineering information
 Regeneration considerations

For specific issues such as Planning, regard was made to the adopted Local Development Framework and the sites current land allocation, together with a view on future development

potential. The information collated has been used to categorise each Land Asset. A traffic light system of categorising has been adopted as follows:

Red	Land suitable for disposal
Amber	Land that may be suitable for disposal will require further investigations before a recommendation is made e.g. Engineering study, Planning Application etc.
Green	Land to be retained

The assessment was completed in 2010 with the detailed appraisal of the 358 Assets categorised as follows:

Category	Number of Assets
Red	17
Amber	107
Green	234

Approval has been granted for the disposal of all assets identified as “red” and to date six have been sold with nine currently with solicitors. Upon completion of the remaining nine sales, a capital receipt of £150,000 will have been generated for the Authority.

The Land Strategy identified a further 107 “Amber Sites” that could be suitable for disposal but where further studies/investigations are required before the assets can be sold e.g. engineering studies, ecological surveys, planning applications etc. A programme has been established to investigate these Amber Sites. These sites are being reviewed on a rolling programme with currently an additional nine sites being identified for disposal.

Assets categorised as Green (land to be retained) are continually reviewed to ensure that where criteria/circumstances have changed the site’s development /disposal can come forward.

The Land Strategy, Operational Property Strategy and PIP Strategy all connect and form the approach to Asset Management within Telford.

Management of Homes and Communities Agency (HCA) Assets

A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA’s commercial sites. The management of HCA Assets is a significant opportunity to shape how the Borough is developed in line with the localism agenda and to support the new role HCA have as a facilitator and enabler of development. It has provided the opportunity for the Council to take a proactive approach in promoting the opportunities in Telford and to support the Councils wider agenda of growth within the Borough.

A number of sales have come forward since the establishment of the stewardship agreement, with 2015 seeing sales including:

The Sale of 0.23Ha site at T54 for industrial development.

In addition to the agency work associated with the Stewardship agreement the Estates Team are also supporting HCA with the delivery of a range of planning applications for additional industrial development at Hortonwood and T54.

Land Strategy

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Potential for alternative use
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A number of sales have come forward since the establishment of the stewardship agreement, with 2014 seeing sales including:

The sale of 3.26 Ha site at Hortonwood completed in July 14 for a Waste Transfer Station.

The sale of 1.7Ha site at T54 completed in November 14 for an industrial warehouse. This development which has already started on site is the first development on T54 for some 15 years.

The sale of 0.59Ha site at Halesfield completed in January 15 for a plant hire business.

In addition to the agency work associated with the Stewardship agreement the Estates Team are also supporting HCA with the delivery of a range of planning applications for additional industrial development at Hortonwood and T54.

8.0 Asset Details & Performance

The Statement of Assets is found in Appendix 1.

Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

With reducing budgets, maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. However, the BSF programme has reduced the school maintenance back log as new and refurbished schools have been delivered as new Academies. On the Operational side, Property Rationalisation has also reduced the backlog of outstanding maintenance as services and staff are concentrated in modern buildings and old out, dated buildings, are disposed of.

As set out in Chapter 5, energy use is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco-friendly initiatives such as bio mass boilers, increased insulation etc. this has been offset by increasing use of technology powered by electricity in buildings. It is expected that further significant reductions in usage can come from both the BSF and Property Rationalisation Programme which will both utilise modern technologies including photovoltaic technology and ground source heat pumps etc.

Similarly, space utilisation should further improve from current standards as Property Rationalisation continues (Chapter 5).

Appendix 1 - Fixed Assets Utilised by the Council

1.1 Operational Property

Category	Quantity	Total Values
Academies	10	£10
Bus Stations	3	£572,300
Cemeteries	3	£3
Changing Rooms & Pavilions	11	£1,159,000
Children Centres	2	£1,631,000
Community Centres	5	£1,417,500
Day Centres	2	£935,000
Golf Course	1	£2,010,000
Hostels/Homeless Accommodation/Residential Homes	58	£6,157,000
Ice Rink	1	£3,230,000
Industrial Estates and Units – Operational (non PIP)	1	£279,400
Leisure Centres	7	£17,078,000
Libraries	8*	£5,829,000
Nursery Schools	1	£305,000
Operational Offices	10	£14,876,734
Outdoor Activity Centre	1	£724,000
Primary Schools (Maintained/Foundation/VC/VA)	51	£105,398,300
Public Conveniences	3	£134,000
Pupil Referral Units	2	£728,500
Secondary Schools (Maintained/Foundation/VA)	3	£29,203,600
Ski Centre	1	£478,000
Special Schools	3	£6,459,000
Theatres	1	£2,003,000
Travellers' Sites	2	£1,136,000
Visitor Information Centre	1	£830,000
Youth Projects	3	£609,500
TOTAL	194	£203,049,087

*Note: Value is for 7 Libraries, Wellington Civic is included with Offices value.

1.2 Operational Property Leased in from Property Investment Portfolio

Category	Quantity	Total Values
Industrial Estates and Units (PIP)	2	£151,160
Offices	2	£519,900
Training / Day Centre	1	£208,400
TOTAL	5	£879,460

1.3 Operational Property Leased in from Private Sector

Category	Quantity	Total Values
HLC Learning Community (Private Finance Initiative – PFI)	1	
Offices	3	
TOTAL	4	

1. Other Property Assets

2.1 Property Investment Portfolio (PIP)

Category	Quantity	Total Values

Depot	1	£1,304,000
Industrial	39	£27,650,600
Offices	26	£14,510,500
Retail	31	£14,874,600
Smallholdings	1	£600,000
TOTAL	98	£58,939,700

2.2 Other Miscellaneous Sites and Property

Category	Quantity	Total Values
Allotments	10	
Amenity Sites	4	
Assets held for sale	46	
Assets Under Construction	9	
Car Parks	29	
Community Centres - leased out	8	
Leased out property – non PiP	3	
Miscellaneous Sites	173	
Open Space and Recreational Areas	181	
Regeneration Sites	8	
TOTAL	471	

APPENDIX 2

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3

Telford & Wrekin Property Performance Indicators for 2015.

Priority 1–3 covers a 5 year maintenance period. The total cost of priority level 1 – 3 works for all Operational Property (including schools) is £25,745,750. The average for the previous Benchmark Group in 2011 which comprised similar sized authorities was £62,232,762.

T&WC figure is split as follows:

School Property	£18,939,529
Operational Property	£6,806,221

Previous year comparisons

		2010	2011	2012	2013	2014	2015
Schools	P1-P3	£29,352,678	£28,593,580	£30,652,623	£24,617,893	£21,529,991	£18,939,529
Operational	P1-P3	£11,080,659	£12,766,526	£8,770,020	£8,369,886	£7,480,279	£6,806,221

The condition liability for operational buildings has reduced due to major investment in capital projects such as the Ice Rink refurbishment, Addenbrooke House and Southwater, along with the overall reduction in office accommodation by 34% in recent years. The figures here include estimates for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during the normal condition update rolling programme.

School Condition Surveys do not show the full reduction due to the investment of circa £1m in 2015/16. Surveys will continue to be updated in 2016 and will reflect this investment in future updates. With this in mind, the condition liability for Schools shows a further decrease

this year due to the opening of Lakeside, Sutherland, Wrockwardine Wood and Phoenix as Academies, which has helped reduce the overall condition backlog circa £3m. Further reductions are expected within the next 2 years due to the further Building Schools for the Future programme projects coming on stream.

Indicator 2A : Energy costs/consumption

The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA **£7.30**

2011 Benchmark average **£13.57**

Previous year comparisons

Year	£ spend per m2 GIA
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00
10/11	£13.46
11/12	£10.38
12/13	£12.11 (revised)
13/14	£10.31
14/15	£7.30

Comment:

The cost of energy per m² decreased due to increased gross internal area 2014/15, but total energy consumption (electricity and gas) in all buildings (operational, disposed and schools) has increased by 10% since 2013/14. The gas consumption has decreased slightly by less than 1% since 2013/14, but electricity consumption has increased by 15%, despite of energy audits undertaken at all operational buildings and schools.

The Low Carbon Schools Service has provided energy saving advice and support to schools since 2011/12. This programme enabled schools to make reductions to their energy consumption. A number of projects to save energy consumption in schools and operational buildings have been undertaken and savings on energy consumption and energy bills have been achieved in those properties. However, with rapid decrease of budget available for energy efficiency projects since 2014/15, only few energy efficiency projects were available to be funded. Next year, savings in electricity are expected for community centres, as mix of energy efficient and LED lighting was installed in Sutton Hill Community Centre in February 2015. We were able to help some schools with their energy saving lighting refurbishment in 2014/15, such as Hollinswood Primary, William Reynolds Primary and Lilleshall Primary.

LED lighting in the community room in Donnington Lifelong Learning Centre is planned for retrofitting in early 2016. In Darby House, new LED lighting in staircase will take place in early 2016. A number of schools should see savings on their gas bills due to installation of valve insulation jackets in their boiler room in November 2015. Insulation jackets will help to improve energy efficiency by eliminating heat to escape from valves. These LED lighting and valve lagging insulation projects will show savings in 2016/17.

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TELFORD & WREKIN COUNCIL

CABINET - 25th FEBRUARY 2016
COUNCIL – 3 MARCH 2016

HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2016-2019

REPORT OF THE ASSISTANT DIRECTOR : NEIGHBOURHOOD & CUSTOMER SERVICES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned Highways and Transport Capital Investment Programme for financial years 2016/17 – 2018/19, in accordance with the proposed Budget Strategy.

2. RECOMMENDATIONS

2.1 That Cabinet:

- i. Approve the planned Highways and Transport capital investment programme for 2016/17 – 2018/19
- ii. Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the Assistant Director Neighbourhoods & Customer Services in consultation with the two Cabinet Members with responsibility for Business, Neighbourhood & Customer Services and Communities, Regeneration & Transport.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT

Do these proposals contribute to specific priority plan objectives?

Yes/No

Maintaining the highway network has been identified as a key priority through community consultation. Maintaining an efficient and effective transport network through the Highways and Transport Capital Programme contributes to the delivery of the following Council Priorities:

- ensure that neighbourhoods are safe, clean and well maintained;*
- improve the health and wellbeing of our communities and address health inequalities;*
- regenerate those neighbourhoods in need and work to ensure local people*

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			<i>have access to suitable housing.</i>
		<i>Will the proposals impact on specific groups of people?</i>	
		~~Yes/No~~	<i>The highway and transport network is used by all sections of the community. As far as is practicably possible all schemes aim to meet guidance on accessibility; all maintenance schemes are based on assessments of condition of the highway network and feedback from the local community.</i>
	TARGET COMPLETION / DELIVERY DATE		<i>There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme..</i>
	FINANCIAL/VALUE FOR MONEY IMPACT	~~Yes/No~~	<i>Budgetary provision for the Highways and Transport Capital Programme for 2016/17 is £28.67m which includes capital grants. Indicative capital funding for future years 17/18 and 18/19 are outlined in this report. Expenditure against budgeted allocations will be monitored and any variances or amendments will be reported through the Service and Financial Planning process as required.</i>
	LEGAL ISSUES	~~Yes/No~~	<i>There are no direct legal implications arising from this report. The Council has a duty to manage and maintain the highway network and any works will be procured and managed in accordance with financial and contract procedure rules.</i>
	OTHER IMPACTS, RISKS AND OPPORTUNITIES	~~Yes/No~~	<i>The highway and transport network forms a key part of the physical environment that people experience on a daily basis. In delivering the programme it is important that all opportunities are explored to maximise the enhancement of the local environment, where it can be done in an efficient and cost-effective way.</i>
	IMPACT ON SPECIFIC WARDS	~~Yes/No~~	<i>Proposals affect all wards in the Borough</i>

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PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets the Council is responsible for managing and maintaining is around £1.3bn. These assets include roads, footpaths, bridges, street lights and other highway infrastructure. In developing the Highways and Transport Capital Programme a range of factors are taken into consideration including data on condition, feedback from residents, input from local parish councils and ward members, programming with other schemes on site, safety and accident history.

Table 1

Source	2016-17 £'000	2017-18 £'000	2018-19 £'000	Total Indicative 3-Year Budget £'000
Council Capital				
Maintenance	2,000	2,000	2,000	6,000
Integrated Transport	-	-	-	
Street Lighting & Traffic Signals LED Invest to Save	325	2,671	2,671	5,667
Total Council Capital	2,325	4,671	4,671	11,667
DFT/Other External Capital Funding³				
Maintenance Allocation ²	3,215	3,069	2,778	9,062
Integrated Transport	849	939	939	2,727
Telford Growth Package (LEP) ^{2, 1}	6,567		-	6,567
Town Centre Connectivity Challenge Funding	2,303	9,843	-	12,146
Telford Bus Station Funding	1,710	190	-	1,900
Telford Eastern Gateway Funding	3,600		-	3,600
Total External Funding Capital	18,224	14,041	3,717	35,982
Total Funding	20,549	18,712	8,388	47,649

¹Highways element only.

²The figure will increase according to the level of incentive funding earned each year.

³ Source of cother external funding: S106 and private sector leverage, Local Growth Fund(LEP), capital receipts

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Table 2 – Summary of Highways & Transport Capital Programme 2016/17 – 2018/19

Highway Programme Area	2016-17 £'000	2017-18 £'000	2018-19 £'000	Total 3-Year Programme £'000
Maintenance of Existing Assets¹				
Carriageway Maintenance (including safety maintenance schemes) ¹	3653	3602	3446	10,701
Footway maintenance ¹	359	347	314	1,020
Lighting and illuminated signs/bollards ¹	242	235	212	689
Barriers & Guard Rail Maintenance ¹	18	17	16	51
Drainage Maintenance ¹	145	140	125	410
Structures: Maintenance	623	556	502	1,681
Signing & Lining: renewal & maintenance ¹	90	87	78	255
Annual Condition Surveys	85	85	85	255
Transport Schemes (Improving and Amending the Highway Network)				
New / Upgraded Infrastructure	185	200	200	585
Sustainable Travel (Public Rights of Way / Safer Routes)	132	150	150	432
Safety Schemes	132	150	150	432
Public Realm & Street Scene Projects / contribution to challenge funding projects	400	439	439	1,278
Street Lighting Upgrades	325	2,671	2,671	5,667
Telford Growth Package (LEP) ^{1, 2}	6,567		-	6,567
Telford Eastern Gateway Funding	3,600		-	3,600
Town Centre Connectivity Challenge Funding	2,303	9,843	-	12,146
Telford Bus station Funding	1,690	190	-	1,880
Total Funding	20,549	18,712	8,388	47,649

¹This allocation will increase dependent upon the level of DfT Incentive funding

²Highways element only.

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- 4.1 In 2012 a draft three-year programme was subject to consultation with ward members and parish and town councils for delivery from 13-14 onwards. A further review of the programme took place following consultation with Members and Town / Parish Councils in 2014 as part of the highways element of the Pride in Your Community Programme. The Highways and Transport Programme for 2016/17 contains elements from year three of the main capital programme along with highways related elements of the additional Pride in Your Community programme that were not deliverable in 2015/16. Table 1 above sets out the funding allocations until 2018/19 and Table 2 above outlines the proposed spend breakdown by project type based on the resources in Table 1.
- 4.2 As anticipated in the 2015 capital programme report, new schemes have been added during the year, based on normal rates of deterioration which can be further exacerbated by periods of cold weather. In addition the scope and cost of existing schemes has increased due to underlying structural problems such as those encountered on Castlefarm Way, Priorslee. These types of variations can also impact on annual delivery of schemes. Throughout the coming year there may be a degree of reprioritisation required however we aim to deliver the agreed programme by the end of 2016/17, alongside the development of a new three year programme which is being developed based on sound asset management principles. The Council has allocated £2m per annum from Council Capital funds specifically for carriageway maintenance. The national Pothole Review highlighted the importance of getting highway maintenance right first time and this involves moving some emphasis from reactive to planned maintenance. This report does not cover revenue funded reactive highway maintenance.
- 4.3 Following recent consultation, the Department for Transport (DfT) has amended the formula for the allocation of maintenance funding. Details of the change are to be found at the end of this Annex, however in summary the change is two-fold: Firstly, from 2015/16 onwards Challenge Funding has been made available for larger maintenance projects (over £5million in value) and the Council was successful in a bid for £10.3m Challenge Funding for the Telford Town Centre Connectivity Package. This scheme seeks to replace the existing footbridge between Telford Central rail station and Ironmasters Way along with the dualling of Hall Park Way and Rampart Way. The scheme will be delivered by March 2018.
- 4.4 Secondly, the DfT wish to incentivise highway authorities to demonstrate good asset management practice and work more closely with stakeholders. This will be measured using a self assessment questionnaire.
- 4.5 Figures in Table 1 show the basic allocation of maintenance funding that the Council expects to receive from the DfT. In addition we will receive an element of incentive funding. There are three incentive funding bandings and the Council currently falls into band 1. An action plan has been developed to enable the Council to progress through the bands so that we will be in Band 3 by 2018/19. More information on self-assessment is given in the supplementary information section below. The formula for the allocation of Integrated Transport funding is unchanged.
- 4.6 Without an adopted Transport Asset Management Plan (TAMP) the Council will be unable to progress through the Incentive Bands and therefore the TAMP is currently undergoing a revision and will be brought to cabinet during 2016/17. The principles of

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the Transport Asset Management Plan are around ensuring that the Council has as full understanding as far as possible of the condition of all its highway assets, whilst using asset management planning to maximise the effect of the available financial resources on improving the condition of those assets. In adopting this approach the Council may not treat the roads in worst condition first as there may be instances where early intervention can prevent the need for more expensive interventions in future years; therefore in the interest of maximising the effectiveness of resources it may be necessary to allocate resources to parts of the network that are not considered to be in the worst condition.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 Community Impact

Maintaining the highway and transport network is key to ensuring that people are able to travel for work and education, for accessing services and for leisure activities. The network is used on a daily basis by residents and visitors to the Borough and in terms of service use is likely to be the most used service the Council provides. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment wherever possible we maximise on opportunities to improve the local environment for the benefit of local communities. As part of the Cooperative Council approach the process of engaging contractors for the Highways Programme will include the consideration of supporting local employment and apprentice schemes.

5.2 Equalities Impact

Where possible, as part of the capital programme, improvements to accessibility will be carried out, such as the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility.

5.3 Environmental Impact

Environmental improvements are incorporated into schemes wherever appropriate in order to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. Again, by identifying links with other programme the Council will aim to take a Total Place approach when delivering highways schemes, thereby ensuring that both environmental and highways issues are addressed. The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions.

6. PREVIOUS MINUTES

Cabinet 7 January 2016 – Service & Financial Planning 2016/17 to 2017/18

Report prepared by Keith Harris - Transport & Highways Development Service Delivery Manager and Amanda Roberts - Highway Capital Programme Group Manager

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SUPPLEMENTARY INFORMATION

Changes to the allocation of maintenance funding for local authorities

Background

The DfT has changed the way in which highway maintenance funding is allocated to local authorities. We have been given certainty of our baseline allocation for the next three years along with an indicative allocation for the following three. In addition, the new funding model topslices the gross allocation each year and then offers a percentage of this topslice to highways authorities in England through a challenge fund and incentive fund.

Implications for Telford & Wrekin Council

1. Challenge Funding

We successfully bid for £10.3m in order to deliver the Telford Town Centre Connectivity Package. This is a one-off project and the funding will not contribute to our annual maintenance programmes.

2. Incentive Funding

The level of incentive funding we will receive over each of the next six years will be based on the outcome of a self-assessment which measures our record in pursuing efficiencies and asset management along with corporate public commitment to adopt these practices within an agreed period of time.

Table 1 shows potential funding allocations by percentage based on each scoring band.

Table 1: Funding Allocations

	Total allocation (£) 2015/16	Total allocation (£) 2016/17	Total allocation (£) 2017/18	Indicative allocation (£) 2018/19	Indicative allocation (£) 2019/20	Indicative allocation (£) 2020/21
Band 3 share	100%	100%	100%	100%	100%	100%
Band 2 share	100%	100%	90%	70%	50%	30%
Band 1 share	100%	90%	60%	30%	10%	0%

Our dry run self-assessment puts us in band 1. The financial implications of our level 1 banding are shown in table 2. It should be noted that our baseline allocation decreases as more funding falls under the incentive element.

Table 2. (Highlighted cells show planned progress through the bands)

	Total allocation (£000) 2015/16	Total allocation (£000) 2016/17	Total allocation (£000) 2017/18	Indicative allocation (£000) 2018/19	Indicative allocation (£000) 2019/20	Indicative allocation (£000) 2020/21
Baseline allocation	3,453	3,165	3,069	2,778	2,778	2,778
Additional Incentive Funding						
Band 3		192	287	579	579	579

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Band 2		192	259	405	289	174
Band 1		172	172	174	58	0

There are three questions which, if we score them in band 1 we will automatically be placed in band 1 overall. These broadly relate to:-

- Formal adoption of the Council's Transport Asset Management Plan (TAMP)
- Communication with stakeholders over our approach to asset management including levels of service
- Undertaking lifecycle planning as part of asset management, including development and implementation of a 3-5 year asset management-focused maintenance programme

TELFORD & WREKIN COUNCIL**CABINET – 25 FEBRUARY 2016****COUNCIL – 3 MARCH 2016****2016/17 TREASURY STRATEGY AND TREASURY UPDATE REPORT****REPORT OF THE CHIEF FINANCE OFFICER (ASSISTANT DIRECTOR: FINANCE & HUMAN RESOURCES)****LEAD CABINET MEMBER – CLLR LEE CARTER****PART A – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

The report updates members on Treasury Management activities during 2015/16 and details the Treasury Strategy recommended to be adopted for 2016/17

2015/16 Treasury Management Update

The treasury portfolio at the end of December showed overall net indebtedness of £130.4m (borrowing: £159.0m less investments: £28.6m). Base rates have remained at 0.5% all year with the next move expected to be upwards, perhaps in the second half of 2016.

The borrowing strategy for 2015/16 is to use maturing investments to reduce borrowing and then start to take new borrowing within shorter maturities before gradually lengthening maturities. To date, part of our 2 EIP PWLB loans have matured and no new loans have been taken out. Short term borrowing has been used to fund short term cash flow requirements and take advantage of low interest rates.

Commercial Schemes within External Borrowing

	31/03/15 Actual £m	31/03/16 Estimate £m	31/03/17 Estimate £m	31/03/18 Estimate £m	31/03/19 Estimate £m
External Borrowing from 5.1.3	116.613	163.859	216.210	238.292	238.570
Housing Investment programme - Houses	0.000	10.332	40.358	45.742	45.742
Housing Investment programme - PIP	0.025	0.075	6.180	6.180	6.180
Solar Farm	3.692	3.719	3.719	3.719	3.719
PIP	1.611	2.500	14.021	19.021	24.021
External Borrowing excluding Commercial Schemes	111.285	147.233	151.932	163.630	158.908

The investment strategy for 2015/16 is to gain maximum benefit with security of principal sum invested being the primary consideration. The weighted average return on internal investments at the end of December 2015 was 0.43% compared to

a benchmark return for the period of 0.30%. A schedule of short-term investments is shown at Appendix F.

TREASURY STRATEGY

The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code.

The Council is currently expected to be required to borrow up to £52.4m in 2016/17 based on the current capital programme plans and will adopt a flexible approach to borrowing. In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing debt, interest rate and refinancing risk as well as borrowing source, which is primarily expected to be the Public Works Loan Board, but may also include the LGA Municipal bonds Agency, European Investment Bank or commercial sources.

The strategy for any investments will generally be to reduce investments in order to reduce counter-party risk and to reduce net interest costs as longer-term borrowing rates will tend to be greater than we are able to earn on new investments, but we will look to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved whilst recognising that strict investment criteria that the Council applies severely reduces the number of suitable available counterparties and therefore sums with individual counterparties may be up to £15m at any one time. Reduced from £20m in view of the lower level of investment fund and to spread risk.

The report also includes the Council's Minimum Revenue Provision Statement, this has been updated to state the exact policy in use for each borrowing type and will apply from 2015/16. Overall the policy is broadly in line with that previously agreed, however it is being extended to include the Public Finance Initiative (PFI) Agreement and we have changed the way we are charging MRP in respect of historic borrowing. This includes backdating of the adjustments back to the start of the prudential regime. This will produce net savings in 2015/16 of £5.3m, 2016/17 of £5.7m, 2017/18 £5.3m, 2018/19 £2.4m and 2019/20 £2.4m, these remain at broadly this level until 2033/34 before ultimately becoming a cost. If a net present value calculation is done to the savings using the government's green book discount rate, then the present value of the saving is over £50m. This change and saving reflects the time value of money.

The change, particularly in relation to the PFI MRP, will increase the level of borrowing over the medium term as MRP is not set aside out of the revenue budget. By the end of the life of the asset the impact on borrowing is nil.

The report also sets the Prudential Indicators associated with Treasury for 2016/17.

It should be noted that there may be some changes to the Treasury Strategy before it is presented to Cabinet on 26 February as further information becomes available. The final strategy will be circulated to Audit Committee Members for information with any significant changes highlighted.

2. RECOMMENDATIONS

Members are asked to

1. Note the treasury management activities for the first half year,
2. Note the Treasury Management Policy Statement (Appendix A) and
3. Approve the Treasury Strategy, including the Annual Investment Strategy for 2016/17 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2015/16 onwards.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT

Do these proposals contribute to specific priority plan objectives?

Yes/ No Maximisation of investment income whilst managing risks and minimising borrowing costs whilst also managing risks helps to support the council's overall financial position and therefore the delivery of all policy objectives.

Will the proposals impact on specific groups of people?

No

TARGET COMPLETION / DELIVERY DATE

Part of ongoing Treasury Management Activities within the Treasury Management Strategy and Policy approved by Council.

FINANCIAL/VALUE FOR MONEY IMPACT

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

LEGAL ISSUES

Yes/ No The Council's Treasury Strategy has to comply with the relevant statute, codes and guidance which are set out both in the main body of this report and Appendices A and C of the strategy itself Attached).

The Assistant Director: Finance & Human Resources (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Assistant Director: Finance & Human Resources is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "The Chief financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee."

OTHER IMPACTS, RISKS AND OPPORTUNITIES

Yes/ No The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.

IMPACT ON SPECIFIC WARDS

Yes/ No

PART B – ADDITIONAL INFORMATION

4. 2015/16 TREASURY MANAGEMENT UPDATE

4.1 CURRENT PORTFOLIO POSITION

	31 March 15	31 Dec 15
	Principal	Principal
	£m	£m
Fixed Rate Borrowing - PWLB	28.520	28.020
Fixed Rate Borrowing - LOBO	60.000	60.000
Variable Rate Borrowing - market	<u>28.093</u>	<u>71.000</u>
Total Debt	116.613	159.020
Investments - in-house	<u>3.778</u>	<u>28.601</u>
Total Investments	3.778	28.601
Net Indebtedness	112.835	130.419

4.2 INTEREST RATES

Base rates began the year at 0.5% and have remained unchanged all year. The Bank of England Quantitative Easing programme remained at £375bn. The next move in the base rate is expected to be upwards, some time in the second half of 2016 and will be strongly linked to the recovery of the economy.

4.3 BORROWING & RESCHEDULING

The borrowing strategy for the current year has been to borrow temporarily to take advantage of low interest rates where possible and to undertake new longer term borrowing initially in shorter maturities before gradually extending maturities.

Rescheduling

During 2015/16 no rescheduling has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

New Borrowing

Between the period 1 June 2015 (previous Member update) and 31 December 2015, £199.8m of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 0.28% to 0.53% - interest rates have remained fairly low during this time. £71.0m of this temporary borrowing was outstanding at 31 December 2015. No long term borrowing has been undertaken in the year to date.

4.4 INVESTMENTS

The strategy for the current year is: The Authority's objective when investing money is to strike an appropriate balance between risk and return.

4.4.1 In-House Investments

The majority of the Council's investments are internally managed – currently just temporary investments for cash flow purposes.

Temporary Investments

All the funds are invested by the Council's own officers in order to maximise returns from day to day cash flows

In total £1,443m of investments were placed between 1 June and 31 December. Interest rates have ranged from 0.35% to 0.45% and periods ranged from overnight deposits to 38 days. £28.601m in house temporary investments were held at 31 December 2015.

Longer Term Investments

A number of internally managed deposits have been made previously. We currently hold no longer term investments.

It should be noted that under the current guidance from our Treasury Advisors our investment policy would mean that new investments should not be placed for longer than 13 months.

Overall the weighted average return on all internal investments for the year to date was 0.43% compared to a benchmark return for the period of 0.30%.

4.4.2 Overall Position and Exposure

A full analysis of all Council investments at the end of December is shown in Appendix F.

Our current counterparty limit and maximum exposure is £20.0m for the current year with any one counterparty. At the end of December the greatest exposure with a single counterparty was £10.7m with Lloyds Bank (37% of the total portfolio).

The Council is guided by its Treasury advisers, Arlingclose, in assessing investments.

4.5 LEASING

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost over a number of years.

The first drawdown for 2015/16 was completed in October. The drawdown from both Lloyds Bank and Cranmer Lawrence totalled £0.439m and funded the purchase of equipment over three and five years at interest rates of 1.20% and 1.42% respectively. A further lease drawdown is anticipated in March.

5. TREASURY STRATEGY FOR 2016/17 to 2018/19

5.1 BACKGROUND

5.1.1 The CIPFA Treasury Management Code of Practice

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Annual Investment Strategy as required under the CLG's Investment Guidance.

The purpose of this TMSS is, therefore, to approve the:

- Treasury Management Strategy for 2016/17
- Annual Investment Strategy for 2016/17
- Prudential Indicators for 2016/17, 2017/18, 2018/19 and 2019/20
- MRP Statement.

Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

As per the requirements of the Prudential Code, the Authority adopted the CIPFA TM Code at a meeting of Full Council on 4 March 2010. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

All treasury activity will comply with relevant statute, guidance and accounting standards.

The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix B), the Prudential Indicators (Appendix C) and the outlook for interest rates (Appendix D).

5.1.2 External Context

Economic background: Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to annual CPI inflation falling to 0.1% in October. Wages are growing at 3% a year, and the unemployment rate has dropped to 5.4%. Mortgage approvals have risen to over 70,000 a month and annual house price growth is around

3.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was an encouraging 2.3% a year in the third quarter of 2015. Although speeches by the Bank of England's Monetary Policy Committee (MPC) members sent signals that some were willing to countenance higher interest rates, the MPC held policy rates at 0.5% for the 81st consecutive month at its meeting in November 2015. Quantitative easing (QE) has been maintained at £375bn since July 2012.

The outcome of the UK general election, which was largely fought over the parties' approach to dealing with the deficit in the public finances, saw some big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics. Uncertainty over the outcome of the forthcoming referendum could put downward pressure on UK GDP growth and interest rates.

China's growth has slowed and its economy is performing below expectations, reducing global demand for commodities and contributing to emerging market weakness. US domestic growth has accelerated but the globally sensitive sectors of the US economy have slowed. Strong US labour market data and other economic indicators however suggest recent global turbulence has not knocked the American recovery off course. The Federal Reserve increased its policy rates at its meeting in December 2015. In contrast, the European Central Bank finally embarked on QE in 2015 to counter the perils of deflation.

Credit outlook: The varying fortunes of different parts of the global economy are reflected in market indicators of credit risk. UK Banks operating in the Far East and parts of mainland Europe have seen their perceived risk increase, while those with a more domestic focus continue to show improvement. The sale of most of the government's stake in Lloyds and the first sale of its shares in RBS have generally been seen as credit positive.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and Germany. The rest of the European Union will follow suit in January 2016, while Australia, Canada and Switzerland are well advanced with their own plans. Meanwhile, changes to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain stubbornly low.

Interest rate forecast: The Authority's treasury advisor Arlingclose projects the first 0.25% increase in UK Bank Rate in the third quarter of 2016, rising by 0.5% a year thereafter, finally settling between 2% and 3% in several years' time. Persistently low inflation, subdued global growth and potential concerns over the UK's position in Europe mean that the risks to this forecast are weighted towards the downside.

A shallow upward path for medium term gilt yields is forecast, as continuing concerns about the Eurozone, emerging markets and other geo-political events weigh on risk appetite, while inflation expectations remain subdued. Arlingclose projects the 10 year gilt yield to rise from its current 2.0% level by around 0.3% a year. The uncertainties surrounding the timing of UK and US interest rate rises are likely to prompt short-term volatility in gilt yields.

5.1.3 Local Context

The Authority's current level of debt and investments is set out at Appendix B.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2019/20. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/15 Actual £m	31/03/16 Estimate £m	31/03/17 Estimate £m	31/03/18 Estimate £m	31/03/19 Estimate £m
Capital Financing Requirement	295.535	348.686	403.249	427.657	427.714
Less: Other long term liabilities (e.g. PFI)	-58.964	-57.813	-58.260	-56.408	-54.167
Borrowing CFR	236.571	290.873	344.989	371.249	373.547
Less: External Borrowing	-116.613	-163.859	-216.210	-238.292	-238.570
Internal Borrowing	119.958	127.014	128.779	132.957	134.977
Less: Usable reserves	-63.343	-63.343	-63.343	-63.343	-63.343
Less: Working capital	-52.837	-63.671	-65.436	-69.614	-71.634
Investments	3.778	0.000	0.000	0.000	0.000

Commercial Schemes within External Borrowing

External Borrowing from Above	116.613	163.859	216.210	238.292	238.570
Housing Investment programme - Houses	0.000	10.332	40.358	45.742	45.742
Housing Investment programme - PIP	0.025	0.075	6.180	6.180	6.180
Solar Farm	3.692	3.719	3.719	3.719	3.719
PIP	1.611	2.500	14.021	19.021	24.021
External Borrowing excluding Commercial Schemes	111.285	147.233	151.932	163.630	158.908

The table above shows an increasing Capital Financing Requirement and will require the Council to undertake additional longer term borrowing as well as converting from temporary borrowing we currently hold to fixed borrowing at the best time for the Council dependent on market conditions.

The row relating to external borrowing includes debt associated with funding the Council's proposed Housing Investment Programme together with associated PIP development and other commercial investments in 2015/16. The projected income from these projects is projected to generate a surplus after funding the debt and operational costs. The outstanding debt relating to the Housing Investment Programme will be repaid by the eventual sale of some or all of the properties held by the Council's wholly owned company. The proceeds of any partial disposals will be used to reduce the outstanding debt until the whole amount of debt used to fund the investment has been repaid.

5.1.4 Borrowing Strategy

The Authority currently holds £159.020 million of loans, an increase of £42.4 million on the previous year end. The Council also holds £57.813 million of other longer term liabilities (mainly PFI). The balance sheet forecast in the above table shows that the Authority expects borrowing to increase by year end and continue to increase over the next few years until capital receipts are realised. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow using short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 1-2 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority will also evaluate forward-fixing long-term loans which start at a date in the future, say 12-36 months ahead. Such loans benefit the Authority by fixing a known rate for future borrowing commitments without incurring the funding cost in the intervening period.

In addition, the Authority may borrow short-term loans to cover exceptional cash flow shortages.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board and any successor body
- LGA Bond Agency
- UK local authorities, including Fire and Police Authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- European Investment Bank
- Local Authority Capital Finance Company and other special purpose companies created to enable joint local authority bond issues.

The Authority has previously raised a significant part of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

LGA Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Authority holds £60m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £55m of these LOBOS have options during 2016/17, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk, which will arise at some point in the future when interest rates increase. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £60m. Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk. Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Appendix D indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial

position.

5.2 Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves. In the past 12 months, the Authority's investment balance has ranged between £4 million and £38 million, and levels are expected to reduce in the forthcoming year now that long term investments have matured and been used to avoid/reduce borrowing.

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

Approved Investment Counterparties

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£15m 5 years	£15m 20 years	£15m 50 years	£7.5m 20 years	£15m 20 years
AA+	£15m 5 years	£15m 10 years	£15m 25 years	£7.5 m 10 years	£15m 10 years
AA	£15m 4 years	£15m 5 years	£15m 15 years	£7.5m 5 years	£15m 10 years
AA-	£15m 3 years	£15m 4 years	£15m 10 years	£7.5m 4 years	£15m 10 years
A+	£15m 2 years	£15m 3 years	£15m 5 years	£7.5m 3 years	£15m 5 years
A	£15m 13 months	£15m 2 years	£15m 5 years	£7.5m 2 years	£15m 5 years
A-	£15m 6 months	£15m 13 months	£15m 5 years	£7.5m 13 months	£15m 5 years
BBB+	£7.5m 100 days	£7.5m 6 months	£7.5m 2 years	£4m 6 months	£7.5m 2 years
BBB	£4m next day only	£4m 100 days	n/a	n/a	n/a
None	£0m 6 months	n/a	£4m 25 years	£1,000 5 years	£0m 5 years
Pooled funds	£10m per fund				

There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. The table reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the Banking Reform Act 2015 and the EU Bank Recovery and Resolution Directive are implemented.

Credit Rating: Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB are restricted to overnight deposits at the Authority's current account bank.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period may be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Regard will therefore be given to other available information on the credit quality of the organisations in which it invests as advised by our treasury advisors, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if our Treasury Advisors have raised substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

The Council's purchase of shares in the Housing Wholly Owned Company (and any other wholly owned company) and subsequent loans to the company are service-related and are not included in the annual investment strategy.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£25m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) in foreign countries rated below AA+	£5m
Total non-specified investments	£30m

It should be noted that the authority has an historic investment in Shropshire Waste Management shares totalling £33k which was transferred when the Unitary authority was created in 1998.

Investment Limits: The Authority has revenue reserves, which could be used to cover investment losses and are forecast to be £63 million on 31st March 2016 although not all of these are available. In order that no more than 50% of reserves (as recommended by the code) will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers' nominee accounts (e.g. King & Shaxson), foreign countries and industry sectors as below:

Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Authority may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £5 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast

is compiled on a prudent basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

5.3 Ethical Investment

The Council will not knowingly directly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations suitably credit assessed.

The Council's lending activity will be subject to (in order of rank)

- The assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy;
- Meeting the Security, Liquidity & Yield criteria as set out in the current Treasury Management Strategy and Compliance with the Treasury Management Practice Statements;
- And investments are not contrary to the values outlined in the Ethical Investment Framework (Appendix G)

5.4 The Use of Financial Instruments for the Management of Risks

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

5.5 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

5.6 2016/17 MRP Statement

5.6.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment)

Regulations 08 (SI 08/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

5.6.2 The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

5.6.3 MRP in 2016/17: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

5.6.4 The MRP Statement will be submitted to Council before the start of the 2016/17 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

5.6.5 The Council will calculate MRP by the following methods.

Historic MRP (re pre 2007/08 borrowing). This will be calculated by dividing the balance at 31/3/07 (calculated in accordance with regulations) by 50 for an annual charge that charges over a finite period rather than a 4% reducing balance.

MRP in respect of prudential borrowing, government supported allocations since 2007/08 and PFI will be charged over the life of the asset on an annuity basis (option 3 in the regulations).

The policy in respect of historic borrowing and PFI is a change from current practice and will be applied from 2015/16 onwards. The calculation includes backdating of the adjustments back to the start of the prudential regime. This will produce a net savings in 2015/16 of £5.3m, 2016/17 of £5.7m, 2017/18 £5.3m, 2018/19 £2.4m and 2019/20 £2.4m, these remain at broadly this level until 2033/34 before ultimately becoming a cost. If a net present value calculation is done to the savings using the government’s green book discount rate, then the present value of the saving is over £50m. This change and saving reflects the time value of money.

Also MRP in respect of leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability which is broadly in line with the life of the asset.

5.7 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Assistant Director: Finance & Human Resources will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows:

- half yearly against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end and an updated report alongside the Treasury Strategy in the last quarter of the financial year.
- Audit Committee will be responsible for the scrutiny of treasury management activity and practices rather than the Budget and Finance Scrutiny Committee.

6 Other Items

6.1 Training

CIPFA's Code of Practice requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Full training will be made available for any new members following Annual Council in May 2016.

Reviewing and addressing training needs: The authority regularly reviews the training needs of its staff involved with treasury management and ensures that staff are appropriately trained.

6.2 Investment Consultants/Treasury Advisors

The Council uses Arlingclose as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review to ensure the quality of any such service is controlled. During 2015/16 the Council re-tendered the contract for the provision of this service and Arlingclose were successful for a further 3 years, with an extension option.

7. BACKGROUND PAPERS

CIPFA Code of Practice for Treasury Management in Local Authorities
 Temporary Borrowing Records
 PWLB records
 Investment records
 Draft Treasury Strategy provided by Arlingclose
 Local Government Act 2003
 CLG Guidance on Local Authority Investments
 Audit Commission – Risk and Return

Report prepared by
 Bernie Morris, Finance Manager (01952) 383702
 Ken Clarke, Assistant Director: Finance & Human Resources (01952) 383100.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Assistant Director: Finance & Human Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council

transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

APPENDIX B

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31/3/16 Estimate £m	31/3/17 Estimate £m	31/3/18 Estimate £m	31/3/19 Estimate £m	31/3/20 Estimate £m
External Borrowing:							
Fixed Rate – PWLB	28.0	13	43.9	106.2	128.3	128.6	104.5
Fixed Rate – Market	60.0	28	60.0	60.0	60.0	60.0	60.0
Variable Rate – PWLB	0.0	0	0.0	0.0	0.0	0.0	0.0
Variable Rate – Market	71.0	33	50.0	50.0	50.0	50.0	50.0
Total External Borrowing	159.0	74	163.9	216.2	238.3	238.6	214.5
IFRS Long Term Liabilities:							
PFI	56.9	26	57.3	55.5	53.3	50.9	49.7
Finance Leases	0.9	0	0.9	0.9	0.9	0.9	0.9
Total Gross External Debt	216.8	100	222.1	272.6	292.5	290.4	265.1
Investments: <i>Managed in-house</i>							
Short-term monies (Deposits/ monies on call /MMFs)	28.6	100	0.0	0.0	0.0	0.0	0.0
Long-term investments (maturities over 12 months)	0.0	0	0.0	0.0	0.0	0.0	0.0
Total Investments	28.6	100	0.0	0.0	0.0	0.0	0.0
(Net Borrowing Position)/ Net Investment position	(188.2)		(222.1)	(272.6)	(292.5)	(290.4)	(265.1)

Appendix C

Prudential Indicators 2016/17 – 2019/20

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Assistant Director: Finance & Human Resources reports that the authority had no difficulty meeting this requirement in 2015/16, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	15/16 Approved £m	15/16 Revised £m	16/17 Estimate £m	17/18 Estimate £m	18/19 Estimate £m	19/20 Estimate £m
Total	110.380	89.100	98.895	50.292	16.523	9.489

**if applicable*

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	15/16 Approved £m	15/16 Revised £m	16/17 Estimate £m	17/18 Estimate £m	18/19 Estimate £m	19/20 Estimate £m
Capital receipts	25.752	2.868	5.814	7.037	10.810	25.000
Government Grants	25.334	29.449	29.491	15.162	3.899	8.565
Revenue / External contributions	3.879	5.759	11.239	6.011	1.536	0.000
Total Financing	54.965	38.076	46.544	28.210	16.245	33.565
Supported borrowing	1.268	1.398	0.000	0.000	0.000	0.000
Unsupported borrowing	54.147	49.626	52.351	22.082	0.278	-24.076
Total Funding	55.415	51.024	52.351	22.082	0.278	-24.076
Total Financing and Funding	110.380	89.100	98.895	50.292	16.523	9.489

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	15/16 Approved %	15/16 Revised %	16/17 Estimate %	17/18 Estimate %	18/19 Estimate %	19/20 Estimate %
Total	4.78	4.11	4.96	5.43	5.41	5.38

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	15/16 Approved £m	15/16 Revised £m	16/17 Estimate £m	17/18 Estimate £m	18/19 Estimate £m	19/20 Estimate £m
Total CFR	363.131	348.686	403.249	427.657	427.714	403.691

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/15	£m
Borrowing	116.613
Other Long-term Liabilities	58.964
Total	175.577

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	15/16 Approved £	16/17 Estimate £	17/18 Estimate £	18/19 Estimate £	19/20 Estimate £m	20/21 Estimate £m
Increase in Band B Council Tax	22.08	27.01	63.93	66.91	59.49	47.23

7.2 The increase in Band B council tax reflects the increases in the provision for Capital Financing Charges of £2.853m by 2020/21 to undertake additional borrowing of £51.418m arising from the proposed capital programme.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately

identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	15/16 Approved £m	15/16 Revised £m	16/17 Estimate £m	17/18 Estimate £m	18/19 Estimate £m	19/20 Estimate £m
Borrowing	327	327	330	350	350	320
Other Long-term Liabilities	63	63	62	61	60	59
Total	390	390	392	411	410	379

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Assistant Director: Finance & Human Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Audit Committee.

Operational Boundary for External Debt	15/16 Approved £m	15/16 Revised £m	16/17 Estimate £m	17/18 Estimate £m	18/19 Estimate £m	19/20 Estimate £m
Borrowing	309	309	310	330	330	300
Other Long-term Liabilities	61	61	60	60	59	58
Total	370	370	310	390	389	358

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 4 March 2010.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross Debt and the Capital Finance Requirement

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

Gross and Net Debt	15/16 Estimated £m	16/17 Authorised £m	17/18 Authorised £m	18/19 Authorised £m	19/20 Authorised £m
Outstanding Borrowing (at nominal value)	163.859	216.210	238.292	238.570	214.494
Other Long-term Liabilities (at nominal value)	57.813	58.260	56.408	54.167	51.848
Gross Debt	221.672	274.470	294.700	292.737	266.342

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / total debt net of total investments)

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Guidance note on quantum of acceptable volatility...

	Existing level (or Benchmark level) at 31/03/15 %	15/16 Approved %	15/16 Revised %	16/17 Estimate %	17/18 Estimate %	18/19 Estimate %	19/20 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	30	30	30	30	30	30	30
Local Indicator – Upper limit for net variable rate exposure. (Net principal re gross variable rate borrowing and investments divided by gross borrowing plus investments)	70	70	70	70	70	70	70

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to

protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

- 12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Existing level (level at 31/03/15) %	Lower Limit for 16/17 %	Upper Limit for 16/17 %
under 12 months	46 (25)	0	70
12 months and within 24 months	1 (1)	0	30
24 months and within 5 years	1 (3)	0	50
5 years and within 10 years	0 (0)	0	75
10 years and within years	0 (0)	0	75
years and within 30 years	0 (0)	0	75
30 years and within 40 years	9 (13)	0	100
40 years and within 50 years	11 (15)	10	100
50 years and above	31 (43)	15	100

13. Credit Risk:

- 13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

- 13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

- 13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

- 13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

- 14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	15/16 Approved %	15/16 Revised %	16/17 Estimate %	17/18 Estimate %	18/19 Estimate %	19/20 Estimate %
	95	95	95	95	95	95

Appendix D – Arlingclose Economic & Interest Rate Forecast December 2015

Underlying Assumptions:

- Underlying assumptions:
 - UK economic growth softened in Q3 2015 but remained reasonably robust; the first estimate for the quarter was 0.5% and year-on-year growth fell slightly to 2.3%. Negative construction output growth offset fairly strong services output, however survey estimates suggest upwards revisions to construction may be in the pipeline.
 - Household spending has been the main driver of GDP growth through 2014 and 2015 and remains key to growth. Consumption will continue to be supported by real wage and disposable income growth.
 - Annual average earnings growth was 3.0% (including bonuses) in the three months to August. Given low inflation, real earnings and income growth continue to run at relatively strong levels and could feed directly into unit labour costs and households' disposable income. Improving productivity growth should support pay growth in the medium term. The development of wage growth is one of the factors being closely monitored by the MPC.
 - Business investment indicators continue to signal strong growth. However the outlook for business investment may be tempered by the looming EU referendum, increasing uncertainties surrounding global growth and recent financial market shocks.
 - Inflation is currently very low and, with a further fall in commodity prices, will likely remain so over the next 12 months. The CPI rate is likely to rise towards the end of 2016.
 - China's growth has slowed and its economy is performing below expectations, which in turn will dampen activity in countries with which it has close economic ties; its slowdown and emerging market weakness will reduce demand for commodities. Other possible currency interventions following China's recent devaluation will keep sterling strong against many global currencies and depress imported inflation.
 - Strong US labour market data and other economic indicators suggest recent global turbulence has not knocked the American recovery off course. Although the timing of the first rise in official interest rates remains uncertain, a rate rise by the Federal Reserve seems significantly more likely in December given recent data and rhetoric by committee members.
 - Longer term rates will be tempered by international uncertainties and weaker global inflation pressure.

Forecast:

- Arlingclose forecasts the first rise in UK Bank Rate in Q3 2016. Further weakness in inflation, and the MPC's expectations for its path, suggest policy tightening will be pushed back into the second half of the year. Risks remain weighted to the downside. Arlingclose projects a slow rise in Bank Rate, the appropriate level of which will be lower than the previous norm and will be between 2 and 3%.

- The projection is for a shallow upward path for medium term gilt yields, with continuing concerns about the Eurozone, emerging markets and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued.
- The uncertainties surrounding the timing of UK and US monetary policy tightening, and global growth weakness, are likely to prompt short term volatility in gilt yields.

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.25	-1.25
3-month LIBID rate													
Upside risk	0.20	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.55	0.60	0.70	0.80	0.95	1.05	1.15	1.30	1.40	1.55	1.65	1.80	1.85
Downside risk		-0.20	-0.30	-0.45	-0.55	-0.65	-0.80	-0.90	-1.05	-1.10	-1.20	-1.20	-1.20
1-yr LIBID rate													
Upside risk	0.25	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.45
Arlingclose Central Case	1.10	1.20	1.35	1.45	1.55	1.70	1.80	1.95	2.00	2.10	2.15	2.15	2.15
Downside risk	-0.15	-0.25	-0.35	-0.50	-0.60	-0.70	-0.85	-0.95	-1.10	-1.15	-1.25	-1.25	-1.25
5-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	1.50	1.55	1.60	1.70	1.80	1.90	2.00	2.10	2.20	2.25	2.30	2.35	2.35
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
10-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.00	2.05	2.10	2.20	2.30	2.40	2.50	2.60	2.65	2.70	2.75	2.80	2.80
Downside risk	-0.35	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25
20-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	2.95
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.65	-0.75	-0.85	-0.95	-1.05	-1.10	-1.15	-1.20	-1.20
50-yr gilt yield													
Upside risk	0.40	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60
Arlingclose Central Case	2.45	2.50	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.00	3.00
Downside risk	-0.25	-0.35	-0.45	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.05	-1.10	-1.15	-1.15

Appendix E – Recommended Sovereign and Counterparty List (Section 8)

- **Group Limits** - For institutions within a banking group, the authority executes a limit at the highest of any of the single banks within that group.
- **Sovereign Limit** – The Council will only invest a maximum of £15m of the portfolio with non UK sovereigns. This is a reduction of the limit from £20m and will only apply from 2016/17 onwards.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m	Council Holding At 31/12/15 £m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	15	15	6.00
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Lloyds (Lloyds Banking Group)	15	15	10.74
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	15	15	0
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	15	15	2.75
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	15	15	0
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	15	15	0
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	15	15	0
Term Deposits / CDs / Call Accounts	UK	Close Brothers Limited	15	15	0
Term Deposits / CDs / Call Accounts	UK	Goldman Sachs International Bank	15	15	0
Term Deposits / CDs / Call Accounts	UK	Leeds Building Society	15	15	0
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	15	15	0

Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	15	15	0
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	15	15	0
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	15	15	0
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	15	15	0
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	15	15	0
Term Deposits / CDs / Call Accounts	Finland	Pohjola Bank	15	15	0
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG	15	15	0
Term Deposits / CDs / Call Accounts	Germany	Landesbank Hessen – Thuringen (Helaba)	15	15	0
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	15	15	0
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	15	15	0
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	DBS Bank Ltd	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	Oversea-Chinese Banking Corporation (OCBC)	15	15	0
Term Deposits / CDs / Call Accounts	Singapore	United Overseas bank (UOB)	15	15	0

Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	15	15	9.12
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	15	15	0
Term Deposits / CDs / Call Accounts	US	JP Morgan Chase Bank	15	15	0

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened. The counterparty list was correct as at 31 December 2015.*

SUMMARY OF INVESTMENTS**TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 2015**

	CREDIT RATING			TOTAL £000
<u>Fixed Deposits</u>				
HSBC	UK AAA	F1+ AA-	1	2,746
Svenska Handelsbanken	Sweden AAA	F1+ AA-	2	9,115
Lloyds	UK AAA	F1 A+	5	10,740
Santander	UK AAA	F1 A	2	6,000
TOTAL- FIXED TERM AND CASH DEPOSITS				28,601

<u>SUMMARY BY SOVEREIGN RATING</u>	<u>£000</u>	<u>%</u>
UK AAA	19,486	68
Sweden AAA	9,115	32
Total	28,601	100

Ethical Investment Framework – Telford and Wrekin Council

At the current time the Council's treasury activity consists principally of making short-dated loans to the UK Government (through the Debt Management Agency Deposit Facility) and to banks and building societies which adheres to the S-L-Y principles of (Security, Liquidity and Yield, in that order).

The preservation of capital is the Council's principal and overriding priority. The banks and building societies on the Council's lending list are selected only if the institutions and the sovereign meet a minimum credit criteria. In accordance with its social and corporate governance responsibilities, the Council seeks to support institutions which additionally have an ethical and responsible approach to environmental and social issues including employment and global trade. These "ethical" criteria and their basis are described below.

1. Environmental and Social Standards

Equator Principles

The Equator Principles are a voluntary set of guidelines based on the environmental and social standards practiced by the International Finance Committee when evaluating financing projects. Financial institutions that adopt the Principles agree to use a screening process aiming to ensure that environmental and social assessments help inform decisions to finance development projects. This allows signatories to engage proactively with their stakeholders on environmental and social policy issues.

The Equator Principles (EPs) are a screening framework for determining, assessing and managing environmental and social risk in project finance transactions for major infrastructure and industrial projects. The EPs are adopted voluntarily by financial institutions and are applied where total project capital costs exceed US\$10 million. The EPs are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. They are based on the International Finance Corporation's performance standards on social and environmental sustainability and on the World Bank Group Environmental Health and Safety Guidelines.

Financial institutions which are signatories to the EPs commit to not providing loans to projects where the borrower will not or is unable to comply with their respective social and environmental policies and procedures that implement the EPs.

The following banks relating to institutions on the Council's lending list have adopted the Equator Principles :

- Barclays Bank
- HSBC Bank plc
- Lloyds Banking Group (parent of Bank of Scotland and Lloyds TSB Bank)
- Royal Bank of Scotland
- Standard Chartered
- Banco Santander (parent of Santander UK plc).

<http://www.equator-principles.com/index.php/members-reporting>

2. Human Rights, Labour and Environment

The **UN Global Compact** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Corporations which sign up to the UN Global Compact are encouraged to themselves embrace and in turn, support and enact, within their sphere of influence, a set of core values which are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The following banks relating to institutions on the Council's lending are participants/stakeholders of the UN Global Compact :

- HSBC
- Royal Bank of Scotland
- Standard Chartered
- Gruppo Santander (ultimate parent of Santander UK plc).

<http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html>

Limitations to ethical policies :

It should be noted here that the individual institutions which have signed up to the Equator Principles and to the Global Compact screen borrowers before lending for infrastructure and industrial projects.

However, financial institutions also engage daily in money market and interbank lending transactions; the criteria for such lending is based primarily on credit risk assessment (i.e. the assessment of their lending being repaid in full and on time when it is due). Being a signatory to the EPs will not necessarily be a critical feature of such credit assessment and the Council is not in a position to monitor interbank lending. The same applies to an individual financial signing up to the UN Global Compact.

It should also be noted that becoming a signatory of voluntary guidelines (Equator Principle or Global Compact) does not guarantee that that institution's policies and practices are of a better standard than those institutions which are not signatories to the voluntary guidelines.

Activist investment : The Council does not invest directly in shares or in corporate bonds. Not only are such investments inherently higher risk investments, and requires a distinct and separate set of fund management expertise. Under current legislation (SI 2003 No 3146) the purchase of share capital or loan capital of a body corporate is a capital expenditure investment which, on sale or maturity, becomes a capital receipt and is unsuitable for the Council's treasury investments which are primarily the cash management of its operating surpluses and reserves. Corporate bond and equity investments would however be made by the Council's pension fund (run by Shropshire Council).

Other than through its pension fund (which is measured by Shropshire Council), the Council cannot seek to influence decision making at a company by voicing concerns, engaging in a dialogue with management, or lobbying other shareholders for support. Activist investors attempt to purchase sufficient shares or obtain seats on the board with the goal of effecting major change in the company to make the company more valuable financially or socially (for example to change management policies and adopt better governance; optimise shareholder value through acquisitions/divestitures, be more socially responsible etc).

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating's long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D** : the obligor is in default as it has failed on its financial commitments.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements

Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered

In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

Definitions:

- 1: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
- 2: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
- 3: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
- 4: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

- 5:** A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	Meaning
Affordable Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Capital Financing Requirement (CFR)	This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moodys using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that you are conducting your business with.
Debt Management Account Deposit Facility	Provided by the <u>Debt Management Office</u> , users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating.
Derivative Instruments	A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from the value

	of a stock. An interest rate swap is a derivative because it derives its value from one or more interest rate indices.
Discounts	These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early.
Fund Managers	Independent investment managers who work to a specific mandate and invest funds on behalf of the Council
Inflation	The rise in prices of goods and services over a period of time.
Interest Rate Risk	The risk that the value of an investment will change due to changes to the interest rate.
Internal Borrowing	This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market.
LIBID	London inter-bank bid rate. Interest rate at which prime banks will borrow money in the London inter-bank market.
LIBOR	London inter-bank offer rate. Interest rate at which prime banks will lend money in the London inter-bank market. Fixed every day by the British Bankers Association to five decimal places.
Liquidity Risk	The risk of not being able to trade an investment quickly to release cash.
Minimum Revenue Provision (MRP)	This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Obligor	An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds.
Premia	This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken.
Prudential Code	A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities.
Prudential Indicators	A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority.

PWLB	Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow.
Re-scheduling	This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates
Return	The gain from holding an investment over a given period
Security	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
Sovereign Exposure	Risk of exposure to one particular country.
Supranational Bonds	These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure.
Quantative Easing	This is where the government buy back there own gilt issuance to effectively pump money into the financial markets of the economy.

TELFORD & WREKIN COUNCIL

**CABINET – 25 FEBRUARY 2016
COUNCIL - 3 MARCH 2016**

PRUDENTIAL INDICATORS

**REPORT OF THE CHIEF FINANCE OFFICER (ASSISTANT DIRECTOR:
FINANCE & HUMAN RESOURCES)**

LEAD CABINET MEMBER – CLLR LEE CARTER

1. Summary of Main Proposals

- 1.1 To approve the prudential indicators for 2016/17 to 2018/19 required under the Prudential Code of Capital Finance in Local Authorities.

2. Recommendations

- 2.1 Members are asked to approve the prudential indicators proposed in this report as part of setting the budget for 2016/17.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT Do these proposals contribute to specific priorities?

Yes/No The prudential indicators form part of the Council's service and financial planning strategy and the overall budget and policy framework which is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.

Will the proposals impact on specific groups of people?

Yes/No

**TARGET
COMPLETION /
DELIVERY DATE**

Prudential Indicators have to be set annually under the Local Government Act 2003.

**FINANCIAL/VALUE
FOR MONEY IMPACT**

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

LEGAL ISSUES

Yes/No CIPFA's Prudential Code is regarded as mandatory guidance associated with the Local Government Act 2003.

OTHER IMPACTS,

Yes/No The opportunities and risks associated with

RISKS AND OPPORTUNITIES

the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

IMPACT ON SPECIFIC WARDS

Yes/No

PART B – ADDITIONAL INFORMATION

4. Summary

- 4.1 The Prudential System was introduced from 1 April 2004. Under the Prudential System the Council has to approve Prudential Indicators annually and these are contained in the report.

5. The CIPFA Prudential Code

- 5.1 In September 2003 CIPFA Council approved and subsequently published the final version of the code (updated in 2009), and the concluding paragraph of its executive summary records;

*“The Prudential Code supports the systems of capital investment in local authorities. It is integrated within the wider statutory and management processes of local government. Key elements of the system continue to be determined by legislation, in particular the amount required to be charged to taxation by local authorities in respect of capital investment and the amount and method of government support for capital investment. These will be significant decisions when local authorities take decisions on capital investment. **However, the level of capital investment that can be supported will be subject to affordability and sustainability and be a matter for local decision.**”*

- 5.2 The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year, and typically over 20 years). This helps ensure stability over the medium term; for example a variable rate loan currently at 2.5% may be less attractive than a fixed rate loan at 2.8% if there is thought to be a reasonable possibility that variable rates will rise above 3.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.
- 5.3 The code also requires authorities with significant investments to set indicators associated with lending money.
- 5.4 Practically the remaining paragraphs of this section consider the indicators and recommends what the indicators should be for 2016/17. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2017/18 and 2018/19. In proposing these indicators a pragmatic

approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered.

- 5.5 For each indicator, ***the CIPFA requirements of the code are set out in bold italics***. The limits proposed by the Chief Finance Officer for 2016/17 are then set out. An explanation is provided, unless the indicator and limits are completely self explanatory.

5.6 **Prudential Indicators of Affordability – Ratio Affordability Measure**

- 5.6.1 ***The local authority will estimate for the forthcoming financial year and the following two financial years the ratio of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of ratio of financing costs to net revenue stream.***

- 5.6.2 In Telford & Wrekin's case this indicator makes more sense if Local Government Reorganisation (LGR) debt paid over to Shropshire Council is included.

Revenue Budget

Year 1(2016/17)	4.96%
Year 2(2017/18)	5.43%
Year 3(2018/19)	5.41%

- 5.6.3 The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio between 2016/17 and 2017/18 (this broadly matches the expected prudential borrowing which is noted in 5.10.2 and the cuts in grants impacting on net revenue stream) but then drops down in 2018/19.

5.7 **Prudential Indicators of Affordability – Incremental Council Tax Affordability Measures**

The local authority will

- (i) forecast the total budgetary requirements for the authority based on no changes to the existing capital programme***
- (ii) forecast the total budgetary requirements for the authority with the changes to the capital programme included in the calculation***
- (iii) take the difference between (i) and (ii) and calculate the addition or reduction to Council tax that would result.***

This prudential indicator will be referred to as estimates of the incremental impact of new capital investment decisions on the Council Tax and shall be expressed in the following manner £ xx.xx.

- 5.7.1 The indicator is calculated by taking the estimates of capital included in the Capital Budget Report, assuming it is financed through a mixture of borrowing and use of capital receipts (with interest at 4.0% ongoing, with

Minimum Revenue Provision calculated in line with the MRP policy as detailed in the Treasury Strategy Report) and dividing them by the tax base (46,985.3). The indicator works on a cumulative basis (i.e. the year 2 indicator includes the full year cost of year 1 expenditure, together with the part year cost of that year's programme), but only part year interest cost in the year expenditure is incurred.

- 5.7.2 The estimate of the incremental impact on Council Tax (Band B) of capital decisions proposed over and above capital investment decisions that have already been taken by the Council are as follows;

<u>Year</u>	<u>Prudential Borrowing</u> <u>£</u>	<u>Total</u> <u>£</u>
2016/17	27.01	27.01
2017/18	63.93	63.93
2018/19	66.91	66.91

5.7.3 **Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures**

This Indicator does not apply to Telford & Wrekin Council.

5.8 **Estimates of Capital Financing Requirement**

The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:

Estimate of capital financing requirement as at the end of years 1, 2 and 3.

- 5.8.1 The capital financing requirement is a concept in the Prudential System, but can simply be understood as the Council's underlying need to borrow money over the long term. The code requires that the figure is calculated gross, to include debt that is paid for by other authorities following LGR, so in Telford & Wrekin's case, these figures have limited meaning, and locally the indicator needs adjusting for LGR debt.

- 5.8.2 Table A shows the estimated cumulative capital financing requirement at a point in time. These estimates include the impact of the Public Finance Initiative.

	Total CFR
31/3/2016	£348.7m
31/3/2017	£403.2m
31/3/2018	£427.7m
31/3/2019	£427.7m

5.8.3 The movement in the CFR is consistent with other planning assumptions. This indicator does start to fall from 31/3/19 onwards.

5.8.4 Gross Debt and Capital Finance Requirement. The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

	Outstanding Borrowing (at nominal value)	Other Long-term Liabilities (at nominal value)	Gross Debt
31/3/2016	£163.8m	£57.8m	£221.6m
31/3/2017	£216.2m	£58.3m	£274.5m
31/3/2018	£238.3m	£56.4m	£294.7m
31/3/2019	£238.6m	£54.2m	£292.7m

5.9 Treasury Management Prudential Indicators

5.9.1 The Council adopted the revised ***CIPFA Code of Practice for Treasury Management in the Public Services*** at its meeting in March 2010. Treasury Management Practices (TMPs) have been established by the Chief Finance Officer in line with the advice of our Treasury Advisors, and are kept up to date with support from Arlingclose our Treasury Advisors. ***The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code*** is therefore met.

5.10 Capital Expenditure and Capital Commitments Prudential Indicators

5.10.1 ***The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:***

Estimate of total capital expenditure to be incurred in years 1, 2 and 3

5.10.2 The budget and capital report to Council for 2016/17 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are therefore;

	Prudential Borrowing	Grant Funded	Revenue/ External	Capital Receipts	Total
	£m	£m	£m	£m	£m
2016/17	52.351	29.491	11.239	5.814	98.895
2017/18	22.082	15.162	6.011	7.037	50.292
2018/19	0.278	3.899	1.536	10.810	16.523

It is only the two columns relating to borrowing that impact on prudential indicators. These figures include the Housing Company and associated Property Investment Portfolio schemes.

5.11 **External Debt Prudential Indicators**

5.11.1 *The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:*

Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.

5.11.2 The recommended Authorised Limit for External Debt for:

Year 1 (2016/17) is £330m for borrowing and £62m for other long term liabilities

Year 2 (2017/18) is £350m for borrowing and £61m for other long term liabilities

Year 3 (2018/19) is £350m for borrowing and £60m for other long term liabilities

5.11.3 This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out in section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

5.11.4 Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

5.12 Operational Boundary

The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

Operational Boundary = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.

5.12.1 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem.

5.12.2 The Recommended Operational boundary for External debt is

Year 1 (2016/17) is £310m for External debt for and £60m for other long term liabilities

Year 2 (2017/18) is £330m for External debt for and £60m for other long term liabilities

Year 3(2018/19) is £330m for External debt for and £59m for other long term liabilities

5.13 Interest Rate Exposure

5.13.1 ***The local authority will set, for the forthcoming year and the following two years, limits to its exposures to the effects of changes in interest rates. These prudential indicators will relate to both fixed interest rates and variable interest rates and will be referred to respectively as the upper limits on fixed and variable interest rate exposures.***

5.13.2 There is no requirement in the code to set lower limits; however, given the risks associated with having excessively high relatively short fixed, or variable rate borrowing, it is suggested that lower limits are set locally for longer maturing fixed rate borrowing.

5.13.3 Variable rate exposures

Borrowing that is at variable rates LESS Investments that are variable rate investments

Our investments are at variable rates and exceed in total the level of debt we currently have at variable rates (historically a high proportion of debt has been at fixed rates). The limits proposed are as follows;

	Net Variable Limit
	%
2016/17	30
2017/18	30
2018/19	30

5.13.4 The upper limit replaces the existing (1989 Act) Section 44 limit “the maximum proportion of borrowing which is subject to variable rate interest”. Whilst 30% has been set forward as a limit, in practice it would be unusual for the exposure to exceed 15%. Limits for years 2 & 3 assume no substantial change in market conditions.

5.13.5 Because of our position of holding investments it would be helpful to set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. The limit proposed would be as follows;

	Upper Limit
2016/17	60%
2017/18	60%
2018/19	60%

5.13.6 **Fixed Interest Rate Exposure**

The local authority will set, for the forthcoming year and the following two years, both upper and lower limits for its exposure to fixed interest rate risk calculated as follows and each expressed as total borrowing less total investments:

Fixed interest rate exposures

Borrowing that is at fixed rates LESS Investments that are fixed rate investments

Expressed as a percentage or absolute of total borrowing less investments.

5.13.7 The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows;

	Fixed Rate Risk	
	Upper Limit	Lower Limit
2016/17	100%	70%
2017/18	100%	70%
2018/19	100%	70%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

5.14 **Prudential limits for the maturity structure of fixed rate borrowing**
The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows

Amount of projected borrowing that is fixed rate maturing in each period
Expressed as a Percentage of
Total projected borrowing that is fixed rate at the start of the period.
where the periods in question are

- ***Under 12 months***
- ***1 year and within 2 years***
- ***2 years and within 5 years***
- ***5 years and within 10 years***
- ***10 years and within 20 years***
- ***20 years and within 30 years***
- ***30 years and within 40 years***
- ***40 years and within 50 years***
- ***50 years+***

5.14.1 The proposed prudential limits are as follows;

Maturity	Lower Limit %	Upper Limit %	Actual % for 31/03/15
Under 12 months	0	70	25
1-2 years	0	30	1
2-5 years	0	50	3
5-10 years	0	75	0
10-20 years	0	75	0
20-30 years	0	75	0
30-40 years	0	100	13
40-50 years	10	100	15
Over 50 years	15	100	43

5.14.2 Under the investment guidance issued by CLG the Council needs to set indicators for **principal sums invested for periods longer than 364 days.** It is recommended that we set the following limit

Maximum principal investment that can be invested for more than 364 days

Financial Year	Upper Limit
2016/17	95%
2017/18	95%
2018/19	95%

6. Financial Implications

- 6.1 The prudential indicators provide a framework for 2016/17 in which the Council conducts its treasury activities, consistent with good treasury risk management.
- 6.2 The code indicates that “in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority’s borrowing and investment portfolios.” The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.
- 6.3 The code requires the following matters to be taken into account when setting or revising prudential indicators
 - (a) option appraisal for all projects, i.e. value for money
 - (b) asset management planning, i.e. stewardship of asset
 - (c) strategic planning for the authority, i.e. service objectives
 - (d) achievability of the forward plan, i.e. its practicality
 - (e) implications for external borrowing, i.e. prudence
 - (f) implications for Council Tax and housing rents, i.e. affordability.

Items (a)-(c) are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Items (d) and (f) in financial terms have been taken account of by the Chief Finance Officer in presenting the budget and item (e) is inherent to the prudential indicator setting process.

7. Background Papers

Local Government Act 2003
CIPFA Prudential Code for Capital Finance in Local Authorities
Guidance on Local Authority Investments

TELFORD & WREKIN COUNCIL**COUNCIL – 3 MARCH 2016****COUNCIL TAX - FORMAL RESOLUTIONS FOR 2016/17****REPORT OF THE CHIEF FINANCIAL OFFICER (ASSISTANT DIRECTOR OF FINANCE AND HUMAN RESOURCES)****LEAD MEMBER – COUNCILLOR LEE CARTER****1. PART A – SUMMARY REPORT**

Council Tax levels must be approved by Full Council. This report sets out the formal resolutions to determine the levels of Council Tax for Telford & Wrekin Council for 2016/17. The levels of tax take account of the requirements of Telford & Wrekin Council, the West Mercia Police & Crime Commissioner, Shropshire and Wrekin Fire Authority, and the various Parish and Town Councils.

The Council's General and Special Fund budgets for 2016/17 were approved earlier at this meeting and the Council Tax Base was approved at the meeting of Full Council on 21 January 2016.

Council Tax levels are based on spending requirements and the council tax base (number of chargeable Band D equivalent dwellings). Once this report is agreed the Band D Council Tax will be:

Authority		Band D Council Tax £	Increase %
Telford & Wrekin	General Fund	1,146.56	1.20
	Special Fund	14.71	1.24
Telford & Wrekin	Total (excluding Adult Social Care Precept)	1,161.27	1.20
Telford & Wrekin	Adult Social Care Precept	22.94	N/A
Telford & Wrekin	Total (including Adult Social Care Precept)	1,184.21	3.20
West Mercia Police & Crime Commissioner		189.60	1.99
Shropshire and Wrekin Fire Authority		94.05	1.98
Parish & Town Councils		74.27	12.14
Total Council Tax		1,542.13	3.37

The percentage increases all relate to change from current year levels

The increases in overall council tax will vary dependent on parish area. This Council has set a 1.2% increase for the main part of its Council Tax. From 2016/17, a new “Adult Social Care Precept” has been introduced by the Government, which is equivalent to a 2% Council Tax increase and the income from which must be ring-fenced to be spent on Adult Social Care Services.

In the Government’s calculation of core spending power from 2016/17 through to 2019/20, the Government have assumed that social services authorities such as Telford & Wrekin increase their council tax by the new 2% social care precept and by an annual average of 1.75% throughout the period to 2019/20. Telford & Wrekin’s increase of 3.2% is therefore below the Government’s assumption of a 3.75% increase each year for the next 4 years.

Overall the total average bill has increased by 3.37% to include increases by Police, Fire and Parish and Town Councils.

The average increase in overall bills represents a range from 2.58% to 6.10% depending on variations in parish council spending and precepts.

While the total average Band D bill will be £1,542.13, the majority of properties in the area fall in Bands A and B – for a Band B property the overall average bill is £1,199.43.

The necessary formal resolutions are set out in section 5 of the report.

2.0 RECOMMENDATIONS

Members are asked to approve the formal resolutions to determine the levels of Council Tax for 2016/17 as detailed in the report.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	The level of Council Tax is a product of the Service & Financial Planning Strategy which is integral to ensuring that available resources are used as effectively as possible to deliver corporate priorities.
TARGET COMPLETION /DELIVERY DATE	The Council Tax must be set by 11 March each year prior to the start of the financial year to which it relates.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed in the Service & Financial Planning Report.
LEGAL ISSUES	No	The Council must make calculations concerning its spending and Council Tax for the area to enable the Council's

		statutory obligations to be fulfilled. Members should note that the Local Government Finance Act 1992 imposes a statutory duty upon the Council to calculate its council tax requirement and to set its Council Tax for 2016/17 before the 11th March, 2016. Details of those Regulations and how they have been observed are set out in this report.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	These are considered as part of the Service & Financial Planning report.
IMPACT ON SPECIFIC WARDS	No	Borough Wide

PART B – ADDITIONAL INFORMATION

4.0. INFORMATION

The Council Tax Base was approved at Full Council on 21 January 2016. The Council's budget for 2016/17 was agreed earlier at this meeting.

The budget is made up of a General Fund element and a much smaller Special Fund element. The Special Fund is required to ring fence costs that apply to areas that were previously unparished and where the Council still provides some additional services normally provided by Town and Parish Councils mainly relating to footway lighting and cemeteries, whereas some parishes provide and pay for these services. The new Adult Social Care Precept has been introduced by the Government, and is equivalent to a 2% Council Tax increase. The income from this must be ring-fenced to be spent on Adult Social Care Services.

Some parishes in the special fund area have, however, assumed responsibility for footway lighting so that two special fund charges are applied in different areas dependent upon whether footway lighting is provided by this Council or the Parish Council. However, Lawley & Overdale Parish Council has decided to discontinue the agreement with the Council, whereby the footway lighting is included within their Band D council tax charge. In 2015/16 this amounted to £11.13 at Band D as part of the parish charge, for 2016/17 residents will be charged £28.03 as part of the Special Fund charge. The charge for special fund areas has increased by 1.2%, and across the Borough as a whole the proposals set out in this report represent a 1.2% increase on average in the Council Tax levied by Telford & Wrekin Council plus the Adult Social Care Precept which is a 2% increase.

5. **FORMAL RESOLUTIONS**

5.1. That it be noted that at its meeting on 22 January 2016 the Council calculated the following amounts for the year 2016/17 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 made under Section 33 of the Local Government Finance Act 1992 as amended (The Act):-

(a) **46,985.3** being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (The Regulations), as its Council Tax base for the year (The Council Tax Base).

(b) **Part of the Council's Area
Tax Base**

The Parish of:-

CHETWYND	235.6
CHETWYND ASTON & WOODCOTE	162.5
CHURCH ASTON	473.7
DAWLEY HAMLETS	2,061.8
DONNINGTON & MUXTON	3,668.3
EDGMOND	527.9
ERCALL MAGNA	554.6
THE GORGE	1,341.0
GREAT DAWLEY	2,364.0
HADLEY & LEEGOMERY	3,789.4
HOLLINSWOOD & RANDLAY	1,330.7
KETLEY	1,179.9
KYNNERSLEY	73.3
LAWLEY & OVERDALE	2,552.9
LILLESHALL	540.9
LITTLE WENLOCK	232.9
MADELEY	3,893.9
NEWPORT	3,469.6
OAKENGATES	2,317.6
PRESTON	98.7
RODINGTON	339.8
ST. GEORGES & PRIORSLEE	3,724.1
STIRCHLEY & BROOKSIDE	2,214.9
TIBBERTON & CHERRINGTON	270.1
WATERS UPTON	379.7
WELLINGTON	6,349.4
WROCKWARDINE	1,405.8
WROCKWARDINE WOOD & TRENCH	1,395.7
	46,948.7

being the amounts calculated by the Council in accordance with Regulation 6 of The Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

5.2. That the following amounts be now calculated by the Council for the year 2016/17 in accordance with Sections 31 to 36 of The Act:-

- (a) £409,992,299 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils.
- (b) £350,862,383 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £59,129,916 being the amount by which the aggregate at 5.2(a) above exceeds the aggregate at 5.2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- (d) £1,258.48 being the amount at 5.2(c) above divided by the Council Tax base, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including parish precepts and special items).
- (e) £4,180,289 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (f) £1,169.50 being the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (calculated by deducting from the amount at 5.2(d) above, the quotient of the amount at 5.2(e) above divided by the Council Tax Base). The only area that this relates to is the Parish of Eyton. This includes the Adult Social Care Precept of £22.94.

(g) **Part of the Council's Area**

£

The Parish of:

Chetwynd	1,184.35
Chetwynd Aston & Woodcote	1,200.26
Church Aston	1,205.88
Dawley Hamlets (SF2*)	1,231.65
Donnington & Muxton	1,214.20
Edmond	1,201.70
Ercall Magna	1,224.71
The Gorge (SF2*)	1,244.75
Great Dawley (SF2*)	1,360.01
Hadley & Leegomery	1,241.79

Hollinswood & Randlay	1,320.19
Ketley	1,265.86
Kynnersley	1,197.77
Lawley & Overdale (SF2*)	1,260.99
Lilleshall	1,237.90
Little Wenlock	1,230.59
Madeley (SF2*)	1,289.73
Newport	1,282.30
Oakengates (SF2*)	1,320.98
Preston	1,172.53
Rodington	1,200.69
St. Georges & Priorslee (SF1*)	1,209.97
Stirchley & Brookside(SF2*)	1,306.79
Tibberton & Cherrington	1,186.90
Waters Upton	1,214.27
Wellington (SF2*)	1,249.93
Wrockwardine	1,215.73
Wrockwardine Wood & Trench (SF1*)	1,251.41

**SF1 indicates a parish in the special fund area which has taken over responsibility for footway lighting. An additional charge of £0.20 per Band D is made for cemeteries.*

**SF2 indicates a parish in the special fund area which has not taken over responsibility for footway lighting. An additional charge of £28.23 per Band D is made for both cemeteries and footway lighting.*

being the amounts given by adding to the amount at 5.2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 5.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

- (h) The amounts in Appendix 1 being the amounts given by multiplying the amounts at 5.2(f) and 5.2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

6. The West Mercia Police & Crime Commissioner precept for 2016/17 was set at its meeting on 2 February 2016. The following

amounts were stated in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation</u> <u>Band</u>	<u>Amount</u> <u>£</u>
A	126.40
B	147.47
C	168.54
D	189.60
E	231.74
F	273.87
G	316.01
H	379.20

7. The Shropshire & Wrekin Fire and Rescue Authority's precept for 2016/17 was set at its meeting on 24 February 2016. The following amounts were stated in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation</u> <u>Band</u>	<u>Amount</u> <u>£</u>
A	62.70
B	73.15
C	83.60
D	94.05
E	114.95
F	135.85
G	156.75
H	188.10

8. That, having calculated the aggregate in each case of the amounts at 5.2(h) and 6 and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, hereby sets the amounts in Appendix 2 as the amounts of council tax for the year 2016/17 for each of the categories of dwellings shown.

9. Background Papers
Service & Financial Planning Report 2016/17 – 2017/18
Parish Precept Requests
Police & Crime Commissioner Precept Request
Fire Authority Precept Request
2016/17 Revenue Support Grant Settlement
Acts, Directions and Regulations as quoted above.

UNITARY AUTHORITY AND TOWN/PARISH COUNCILS COUNCIL TAX LEVELS 2016/17

Appendix 1

Part of the Council's area The Parish of :-	A	B	C	D	E	F	G	H
CHETWYND	789.56	921.15	1,052.75	1,184.35	1,447.53	1,710.72	1,973.91	2,368.70
CHETWYND ASTON & WOODCOTE	800.16	933.52	1,066.89	1,200.26	1,466.97	1,733.70	2,000.42	2,400.52
CHURCH ASTON	803.91	937.89	1,071.88	1,205.88	1,473.84	1,741.81	2,009.79	2,411.76
DAWLEY HAMLETS	821.09	957.93	1,094.79	1,231.65	1,505.33	1,779.03	2,052.74	2,463.30
DONNINGTON & MUXTON	809.46	944.36	1,079.28	1,214.20	1,484.01	1,753.83	2,023.66	2,428.40
EDGMOND	801.12	934.64	1,068.17	1,201.70	1,468.73	1,735.78	2,002.82	2,403.40
ERCALL MAGNA	816.46	952.54	1,088.62	1,224.71	1,496.85	1,769.01	2,041.17	2,449.42
EYTON	779.66	909.60	1,039.55	1,169.50	1,429.38	1,689.27	1,949.16	2,339.00
THE GORGE	829.82	968.12	1,106.43	1,244.75	1,521.34	1,797.95	2,074.57	2,489.50
GREAT DAWLEY	906.66	1,057.76	1,208.88	1,360.01	1,662.22	1,964.44	2,266.67	2,720.02
HADLEY & LEEGOMERY	827.85	965.82	1,103.80	1,241.79	1,517.73	1,793.68	2,069.64	2,483.58
HOLLISWOOD & RANDLAY	880.12	1,026.79	1,173.49	1,320.19	1,613.55	1,906.92	2,200.31	2,640.38
KETLEY	843.90	984.54	1,125.20	1,265.86	1,547.15	1,828.45	2,109.76	2,531.72
KYNNERSLEY	798.50	931.58	1,064.67	1,197.77	1,463.93	1,730.10	1,996.27	2,395.54
LAWLEY & OVERDALE	840.65	980.75	1,120.87	1,260.99	1,541.19	1,821.41	2,101.64	2,521.98
LILLESALL	825.26	962.80	1,100.35	1,237.90	1,512.98	1,788.07	2,063.16	2,475.80
LITTLE WENLOCK	820.38	957.11	1,093.85	1,230.59	1,504.04	1,777.51	2,050.97	2,461.18
MADELEY	859.81	1,003.10	1,146.41	1,289.73	1,576.32	1,862.92	2,149.54	2,579.46
NEWPORT	854.86	997.33	1,139.81	1,282.30	1,567.24	1,852.20	2,137.16	2,564.60
OAKENGATES	880.64	1,027.41	1,174.19	1,320.98	1,614.51	1,908.06	2,201.62	2,641.96
PRESTON	781.68	911.95	1,042.24	1,172.53	1,433.08	1,693.64	1,954.21	2,345.06
RODINGTON	800.45	933.85	1,067.27	1,200.69	1,467.50	1,734.32	2,001.14	2,401.38
ST. GEORGES & PRIORSLEE	806.63	941.07	1,075.51	1,209.97	1,478.83	1,747.71	2,016.60	2,419.94
STIRCHLEY & BROOKSIDE	871.18	1,016.37	1,161.58	1,306.79	1,597.17	1,887.57	2,177.97	2,613.58
TIBBERTON & CHERRINGTON	791.26	923.13	1,055.01	1,186.90	1,450.64	1,714.40	1,978.16	2,373.80
WATERS UPTON	809.50	944.42	1,079.34	1,214.27	1,484.09	1,753.93	2,023.77	2,428.54
WELLINGTON	833.28	972.15	1,111.04	1,249.93	1,527.68	1,805.44	2,083.21	2,499.86
WROCKWARDINE	810.48	945.55	1,080.64	1,215.73	1,485.88	1,756.04	2,026.21	2,431.46
WROCKW'DINE WOOD & TRENCH	834.26	973.30	1,112.35	1,251.41	1,529.48	1,807.57	2,085.67	2,502.82

NOTE : These figures exclude the Police and Fire Authority tax levels .

TOTAL COUNCIL TAX LEVELS FOR TELFORD & WREKIN COUNCIL FOR 2016/17

Appendix 2

**Part of the Council's area
The Parish of :-**

	A	B	C	D	E	F	G	H
CHETWYND	978.66	1,141.77	1,304.89	1,468.00	1,794.22	2,120.44	2,446.67	2,936.00
CHETWYND ASTON & WOODCOTE	989.26	1,154.14	1,319.03	1,483.91	1,813.66	2,143.42	2,473.18	2,967.82
CHURCH ASTON	993.01	1,158.51	1,324.02	1,489.53	1,820.53	2,151.53	2,482.55	2,979.06
DAWLEY HAMLETS	1,010.19	1,178.55	1,346.93	1,515.30	1,852.02	2,188.75	2,525.50	3,030.60
DONNINGTON & MUXTON	998.56	1,164.98	1,331.42	1,497.85	1,830.70	2,163.55	2,496.42	2,995.70
EDGMOND	990.22	1,155.26	1,320.31	1,485.35	1,815.42	2,145.50	2,475.58	2,970.70
ERCALL MAGNA	1,005.56	1,173.16	1,340.76	1,508.36	1,843.54	2,178.73	2,513.93	3,016.72
EYTON	968.76	1,130.22	1,291.69	1,453.15	1,776.07	2,098.99	2,421.92	2,906.30
THE GORGE	1,018.92	1,188.74	1,358.57	1,528.40	1,868.03	2,207.67	2,547.33	3,056.80
GREAT DAWLEY	1,095.76	1,278.38	1,461.02	1,643.66	2,008.91	2,374.16	2,739.43	3,287.32
HADLEY & LEEGOMERY	1,016.95	1,186.44	1,355.94	1,525.44	1,864.42	2,203.40	2,542.40	3,050.88
HOLLINSWOOD & RANDLAY	1,069.22	1,247.41	1,425.63	1,603.84	1,960.24	2,316.64	2,673.07	3,207.68
KETLEY	1,033.00	1,205.16	1,377.34	1,549.51	1,893.84	2,238.17	2,582.52	3,099.02
KYNNERSLEY	987.60	1,152.20	1,316.81	1,481.42	1,810.62	2,139.82	2,469.03	2,962.84
LAWLEY & OVERDALE	1,029.75	1,201.37	1,373.01	1,544.64	1,887.88	2,231.13	2,574.40	3,089.28
LILLESALL	1,014.36	1,183.42	1,352.49	1,521.55	1,859.67	2,197.79	2,535.92	3,043.10
LITTLE WENLOCK	1,009.48	1,177.73	1,345.99	1,514.24	1,850.73	2,187.23	2,523.73	3,028.48
MADELEY	1,048.91	1,223.72	1,398.55	1,573.38	1,923.01	2,272.64	2,622.30	3,146.76
NEWPORT	1,043.96	1,217.95	1,391.95	1,565.95	1,913.93	2,261.92	2,609.92	3,131.90
OAKENGATES	1,069.74	1,248.03	1,426.33	1,604.63	1,961.20	2,317.78	2,674.38	3,209.26
PRESTON	970.78	1,132.57	1,294.38	1,456.18	1,779.77	2,103.36	2,426.97	2,912.36
RODINGTON	989.55	1,154.47	1,319.41	1,484.34	1,814.19	2,144.04	2,473.90	2,968.68
ST. GEORGES & PRIORSLEE	995.73	1,161.69	1,327.65	1,493.62	1,825.52	2,157.43	2,489.36	2,987.24
STIRCHLEY & BROOKSIDE	1,060.28	1,236.99	1,413.72	1,590.44	1,943.86	2,297.29	2,650.73	3,180.88
TIBBERTON & CHERRINGTON	980.36	1,143.75	1,307.15	1,470.55	1,797.33	2,124.12	2,450.92	2,941.10
WATERS UPTON	998.60	1,165.04	1,331.48	1,497.92	1,830.78	2,163.65	2,496.53	2,995.84
WELLINGTON	1,022.38	1,192.77	1,363.18	1,533.58	1,874.37	2,215.16	2,555.97	3,067.16
WROCKWARDINE	999.58	1,166.17	1,332.78	1,499.38	1,832.57	2,165.76	2,498.97	2,998.76
WROCKW'DINE WOOD & TRENCH	1,023.36	1,193.92	1,364.49	1,535.06	1,876.17	2,217.29	2,558.43	3,070.12



Telford & Wrekin
C O U N C I L

FULL COUNCIL – 3 MARCH 2016

ALTERNATIVE BUDGET PROPOSALS SUBMITTED BY THE CONSERVATIVE GROUP

Budget Proposals 2016/17

Appendix A

Chief Financial Officer's Statement

Appendix B

**Response of Finance & Enterprise
Scrutiny Committee**

Appendix C

2016/2018

Alternative Budget Proposals

from the

Main Opposition Group

of

Telford & Wrekin Council.

Published 14th January 2016.

1. **OVERVIEW.**

The Opposition key budget strategy proposals for 2016/18 include:-

Budget Deficit: –.

Freezing Council Tax for 2016/17 - We continue to support the freezing of council tax rates as originally promised by the Council's Labour Administration. However, given our previous support and defence of the 'under pressure' Adult Social Care budget and the eventual u-turn by the Labour administration last year to increase funding, we support the opportunity to set a 2% precept with funds ring fenced to support this vital function.

Protecting Adult Social Care – We support the proposals to increase the budget for adult social services and children's safeguarding in 2016/17.

Debt Reduction – During 1998/1999 Telford & Wrekin Council enjoyed a healthy position of having +£72m net cash in hand. This position has deteriorated significantly over the intervening years and in particular the past 4 years; worryingly the current net position at 31st March 2015 stood at -£113m. (See graph on Page 4). In parallel, prudential borrowing is expected to reach £261.6m including the commitments in the Administration's latest medium term financial strategy.

We propose a significant change in policy direction with the aim of bringing the burden of debt down to a sustainable level. Our proposals reduce debt by £72.2m

Reduction in Risk – Given the challenges the Council faces, we recognise that Local Authorities, including Telford & Wrekin, must move into areas which will provide additional opportunities for income generation. However, the current administration's strategy of diversifying into speculative areas where the Authority has no expertise is open to external risks beyond the Council's control. This may adversely impact the Council's future financial security and the ability of future administrations to provide services.

We believe that Telford & Wrekin Council should focus on marketing its core activities which it knows well and thereby reduce the impact that risks present. To achieve this we propose significant asset disposals.

Settle Single Status – During 1997 the then Labour Government compelled all Local Authorities to standardise pay across its workforce. This scheme was never settled at Telford & Wrekin but local tax payer's money has been diverted into a contingency fund which now stands at £11.9m. (Payments into this fund were halted by the last Conservative Administration in 2010/11)

We believe that this issue must be settled over the next 12 months and residual monies (which may be considerable) allocated to support front line services.

Bring forward Living wage - We propose to introduce the living wage at £8.10 from 1st September 2016 – giving the lowest paid within our workforce a living wage for the first time. This is in contrast to the current Administration which talks of a living wage but only announces redundancies.

Development of the Borough/ Local Plan - We do not accept the Housing target of 15,555 new houses set by the current Labour Administration. We believe it to be unsustainable and will place a huge burden on the Borough's infrastructure. The Council's own Housing Needs Survey has specified a need figure of only 9,940

The Conservative Group's response to the Council's Local Plan, supports building a total of 12,500 new dwellings (20% lower than that suggested by the current Labour Administration). This will reduce future costs and pressure and on the Council to support infrastructure, education, Health and social services for an ever increasing population. This approach will also remove the need to build homes on Greenfield sites and the Council's own planned incursion into open countryside on 'Site H1' at Muxton and Lilleshall.

We will initiate and fund a complete review of the Administration's Local Plan Proposals and recent consultation and have set £100k aside for this review.

Highways

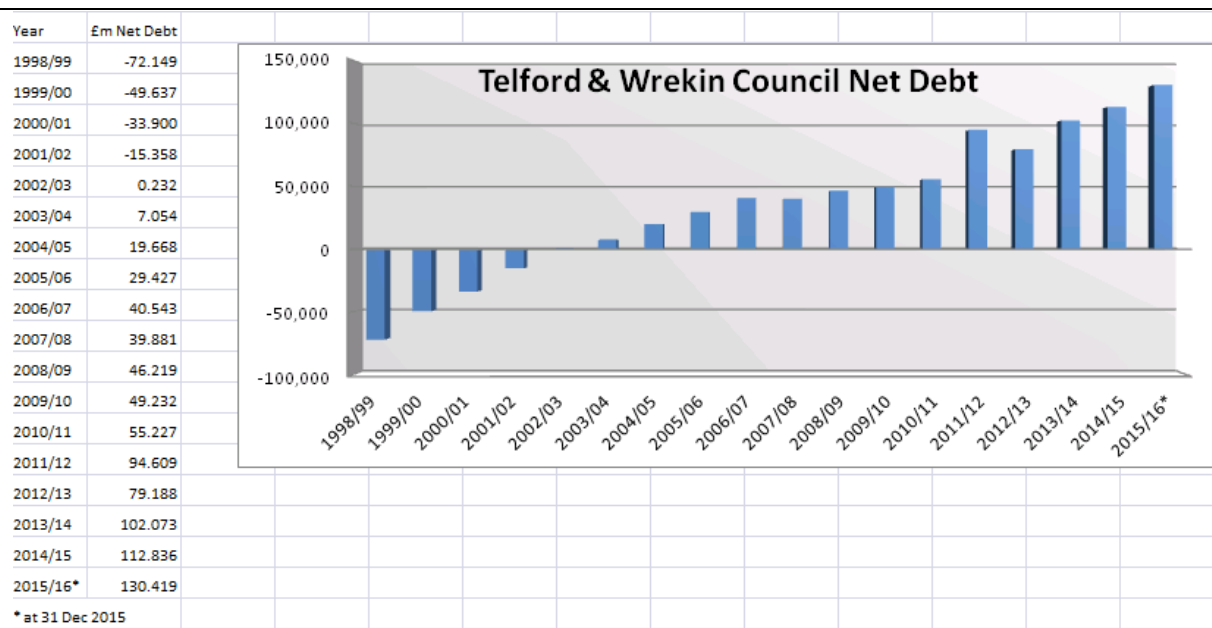
We remain committed to investment in highways, and will work with officers to evaluate how best to achieve this whilst reducing overall debt.

Council 'Prudential Borrowing' – During May 2011 the incoming Labour Administration criticised Conservative "Prudential Borrowing" commitments used to fund Borough wide regeneration, which then stood at **£117.9m**.

As a result, Labour's "*100 Day Budget*" of summer 2011 reduced Prudential Borrowing to **£91.1m** (a reduction of £26.8m). However, the Labour Administration's Prudential Borrowing commitments have since increased to unprecedented levels and are currently projected to reach an anticipated record **£261.6m** after only 4.5 years of the current Administration.

Although much of this additional debt is envisaged to generate a greater revenue return than the cost of borrowing, the exposure to a future change in circumstances, legislation, technology or solar farm feed-in tariffs etc could prove a very significant risk in the future. Furthermore a significant proportion of this debt is invested into speculative areas such as commercial and residential property.

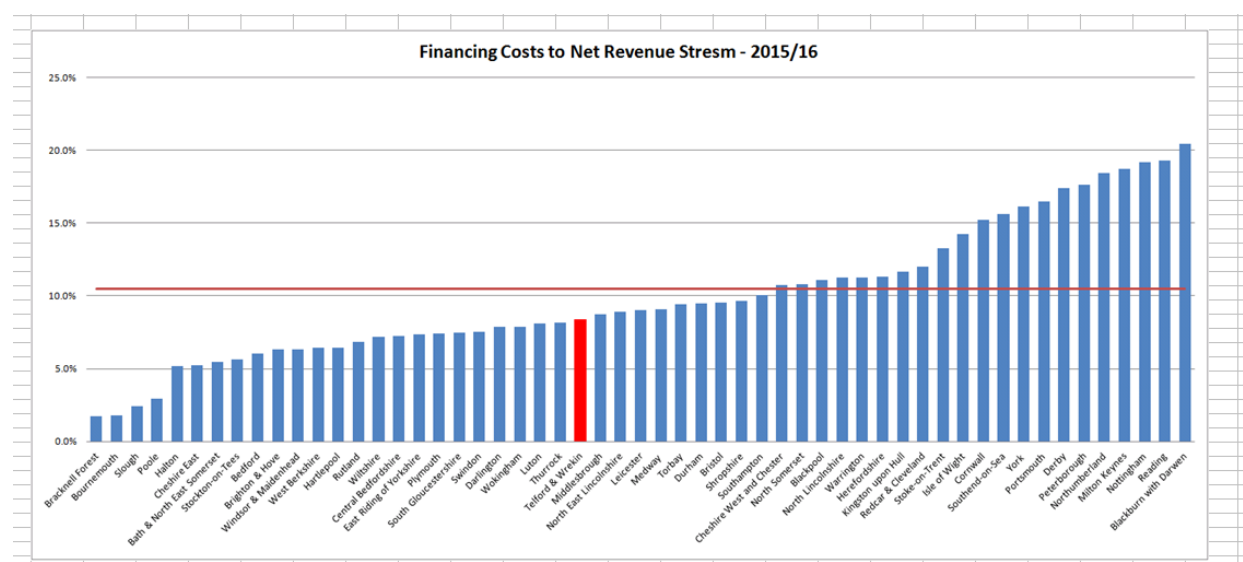
We do not agree with this 'tax and spend' approach and will seek to reduce borrowing levels to safer and more sustainable levels.



As can be seen from the graph above, the council has moved from having £72m cash in hand to £130m net borrowing at December 2015. The trend is clearly one of rising debt.

We are concerned that this level of debt will continue to increase given that further phases of Nu Place (Council's housing development scheme) are already planned together with other projects.

Debt as a % of the Revenue Budget



Currently around 8.4% of the Revenue budget is taken by debt charges, this is with a current average interest rate of 3.56% and net debts of £130m at December 2015. However, the current strategy will see prudential borrowing rise to £261.6m

We consider that, at the present time, any increase in debt charges which increase the portion of principal repayment and interest charges as a percentage of the revenue budget above current levels is both unwise and taking a gamble with public finances. As a result, future budgets may be exposed to greater debt charges.

Moving up the Risk Curve

T&W faces a number of challenges in the coming years, each of which present changes which will increase the risks which the Council will face. Changes such as costs, services provided by the Council and funding sources are set to change the face of Local Government fundamentally.

Risk 1 – Move to local funding

Central government is rightly moving forward to make local authorities responsible for their own funding; the proportion of business rates that can be retained locally is being increased whilst the Revenue Support Grant is being reduced. Whilst we welcome the freedom and control that this gives back to Local Authorities, it could also have the affect of increasing risk. It appears that a time will soon be reached when there is no RSG and all Councils are self funding.

Funding is therefore moving from being a proportion of the national budget and AAA credit rated, to one being based on a more volatile local market and into an organisation that is smaller and without its own credit standing.

These changes and pressures need to be understood and managed by both Officer and Political Leadership to successfully carry the Authority forward. It is clear from the stance taken at the last General Election that the fiscal policies of both major parties were extremely close when dealing with the matter of public finance.

Risk 2 – Final Salary Scheme

The Council is a member of the Shropshire Pension Scheme; this is a final salary defined benefit scheme and is currently underfunded. Historically the scheme has been funded by a combination of employee and employer contributions. The resulting deficit has then been met by the Council via Council Tax Payers, as a proportion of the total scheme deficit.

Whilst the retirement age is rising nationally, the longevity of the scheme members has been rising even faster, this means that a growing deficit fails to be funded by the Council. The deficit is assessed every three years by actuaries, under a triennial review arrangement. Reviews over recent years have consistently meant increased costs. As a result Telford & Wrekin Council has historically chosen the minimum acceptable funding increase.

As the size of the council workforce has reduced, due to savings already made, the size of the council's budget has fallen, despite which contributions to the scheme have increased. This means that the percentage of Telford & Wrekin's revenue budget allocated to pension contributions is rising and will continue to do so.

Risk 3 –Investment Profile

Commercial Property

The council has a property investment portfolio as a legacy of TDC (the old Telford Development Corporation) which is used to fund the liabilities for maintaining open space etc also inherited from TDC. Commercial property is an unpredictable and volatile market area. However parts of the Council's commercial estates require significant investment to bring them up to an acceptable condition and standard. Also, standards will need to be maintained elsewhere to retain existing occupants and attract new businesses to the Borough.

Residential Property

The Council has decided to diversify into a new area where it has no recent or commercial experience; T&W was a housing authority until 1999 but has no recent experience in residential property development, provision or maintenance.

This market is becoming challenging as the Government is making changes to the tax system to reduce the attractions of this type of investment. Future legislation could also affect limited companies such as NuPlace, including 'right to buy' which could fundamentally affect the current or future business case for such speculative developments.

Solar farm

The council has invested in speculative investments such as a solar farm where again it has no experience whatsoever. Changes in tariffs and new technology could seriously affect the future viability of such long term ventures and generate future risk and pressure on future Council budgets.

Risk 4 – Accounting changes

Changes have been made to MRP calculations, which reduce present debt charges but increases them in future years. Although actual cash payments remain the same debt payments in future years increase the pressure on budgets to come.

We support this strategy but recognise it magnifies risk when implemented at the same time as other proposals just highlighted.

Risk 5 Debt funded approach

The expansion of the Council budget is mostly funded by borrowing via the Public Loan works board. Whilst the availability of funding is not an issue interest rates are unlikely to remain at current levels in the long term. However, as interest rates rise, the funding cost of this debt will increase. The revenue budget in future years will have to carry the impact of increasing interest rates.

Risk 6 Capping

Currently council budgets are capped preventing funding from being increased other than by nominal amounts (currently 4%). The Council must be clear on which services it is to continue to provide as costs of current services provision rise, particularly if the ability to raise income continues to be capped.

Risk 7 – Political Driven Growth Agenda

During 2011, the new Labour administration initially embraced a lower debt approach via their 100 day budget. However, since then Debt has almost trebled from £91.1m to a projected total of £261.6m after all current committed schemes have been completed

Growth was initially targeted to be achieved via increased planning approvals leading to increased council tax and new home bonus income. Public opposition to this has been significant and understandable, which has led to pressures for alternative growth approaches to be adopted.

The growth is now being achieved via a move into more speculative and risky assets as already mentioned.

This represents a danger to the Council, which has not been fully understood by the current political leadership, given that over the period 1988 to 2008, property companies, banks and building societies, such as HBOS and NRAM (Northern Rock) have failed due to over expansion into these exact same areas.

The Council budget is therefore increasingly vulnerable to subsequent market shocks and external events.

The trend of increased indebtedness is likely to continue as we are already aware of future planned phases to Nuplace.

Borrowing is a form of deferred tax increase, which is rapidly increasing the burden on future tax payers.

REVIEW OF THE CURRENT ADMINISTRATIONS RAPID DEBT LED APPROACH

We consider the current Administration's approach to be flawed and represent an unbalanced strategy and a business model with inherent vulnerabilities arising from an excessive focus on capital expenditure, asset growth and reliance on debt to generate short-term profitability.

This approach is permitting the Labour Administration to pursue a rapid and uncontrolled growth of the Council balance sheet, which may lead to over-exposure at the peak of the economic cycle. The risks involved are either not identified or, where identified, do not appear to be fully understood by the controlling Cabinet of the current Council.

T&W's underlying balance sheet weaknesses makes Telford & Wrekin vulnerable to market shocks in the event of crisis of the financial system or change in global conditions.

The Council's balance sheet contains valuable assets, but these are assets which are not realisable such as schools and highway infrastructure. The balance sheet once these assets are excluded is considerably weakened.

Our concerns

The current strategy:-

- A risk assessment process that has been inadequately considered by the political leadership of the Council.
- Insufficient focus on risk management or modelling.
- Insufficient testing and political challenge by Cabinet.
- The political leadership continually refers to good and bad debt but fails to demonstrate a balanced assessment of the risk the council is facing.
- The decision to expand growth in council assets is intended to provide diversification. In practice, it increases Telford & Wrekin Council's overall exposure to higher-risk property. The Cabinet is failing to identify the extent to which Telford & Wrekin Council is ascending the risk curve.
- A key feature of T&W's balance sheet is its increasing concentration in property, particularly commercial property assets, residential property and the solar farm.
- Diversity into areas where the Council has no prior experience.

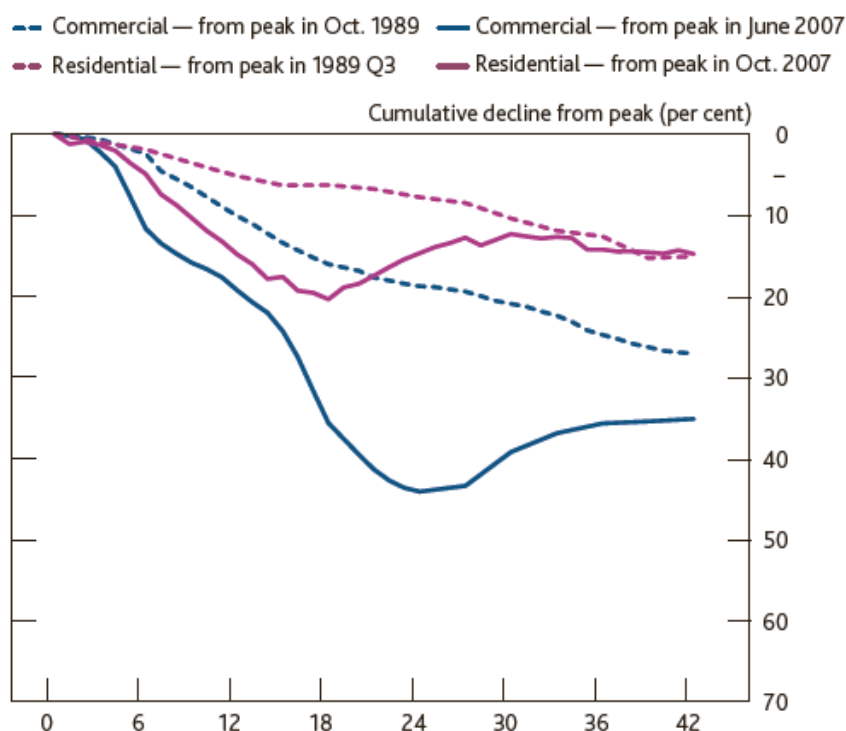
Cabinet members lack sufficient experience and knowledge of finance. Of the councillors who serve in the Cabinet, none have a background in Finance or Accountancy.

We would commit to keeping debt levels to a more manageable level and introduce a more rigorous culture of Risk modelling.

Commercial property

The UK commercial property sector has had a turbulent history. In the past 40 years there have been significant price rises followed by dramatic falls in the early 1970s and 1990s, as well as in the more recent financial crisis, with each period associated with a large build up in lending followed by de-leveraging. Fortunes in this sector can rapidly reverse, affecting a large number of market participants. The proportion of quoted property companies making a loss rose from zero to almost 30% between 1988 and 1992 and 25 banks failed or closed down as the market turned in the period up until 2008

Chart 2.11: UK property price falls in recent recessions^(a)



(a) Source: Halifax, MSCI, Nationwide, Thomson Reuters Datastream and Bank of England calculations.

Proposed Actions to de-risk the balance sheet

- Cancel the proposed additional Property Investment Portfolio (PIP) borrowing of £20m.
- Dispose of the Solar Farm.
- Dispose of Nuplace property development.

The above actions will result in capital receipts totalling around £72.2m which would reduce prudential borrowing from the current projected total of £261.6m to £189.4m. The Conservative Group would fund the additional revenue cost arising from making these adjustments from further savings.

Stress testing Telford & Wrekin Council

As all local authorities are different, there is no universally accepted approach to “stress testing” local authority budgets against the potential impacts of major economic setbacks; whether these arise as a result of local factors e.g. the closure of a major local employer, or national or international setbacks. However, the Conservative Group believe that the Council should prepare now for what will inevitably occur at some point in the future. Impacts on the Council from a major recession would potentially include reduced income from business rates, increased bad debts, higher council tax support payments, reduced income from the Property Investment Portfolio and additional cost pressures e.g. children’s Safeguarding. It is the Conservative Group’s view that the Council would be in a much stronger position to deal with such setbacks if debt levels and exposure to “high risk” assets was reduced from the levels approved by the current Administration. Whilst Full Council

approves a set of prudential indicators when setting the budget each year, we believe that a number of further factors should be taken in to account including:-

Controlling the amount of council debt per property which currently stands at £3,605 and would reduce to £2,610 under our proposals.

Limiting the amount of the revenue budget taken up by debt interest charges (Currently interest on outstanding debt consumes 10.48% of projected council tax income).

If adverse economic factors or national political factors resulted in a 10% reduction in total council income, these commitments would increase to 11.65% of council tax income or 4.89% of net revenue stream – all other things being equal.

Such a significant impact arising from a sudden loss of income would force an immediate review of all revenue budget commitments (and reserves) and the implementation of emergency budget savings which would be much easier to deliver if the proportion of the revenue budget committed to fixed debt repayment costs was lower than proposed by the current Administration.

Single Status

Given that the workforce size has decreased steadily over the period 2011 to the present time and that the accrual for single status is a calculation based on a percentage of employment costs, we feel it is now prudent to reduce the accrual by £1m, which still leaves £10.9m available towards future settlement.

Given the long period of time that has elapsed since the inception of this process, we feel it is now time to negotiate a settlement with the Council's workforce, this will: -

- Remove uncertainty for the workforce.
- Allow for better future planning.
- Save on officer time as the issue will be resolved.
- Allow for additional savings to be made and released to the Revenue budget/ revenue reserves at a time when difficult service decisions are necessary.

DEVELOPMENTS

Partnering with other authorities – We believe that significant savings can be achieved over time by partnering with adjacent authorities. Part year savings of £125K are included as a part of this proposal in line with our recommendations made last year.

Revenue opportunities We favour the formation of Centres of Excellence at the Council, which can then market their services to other public sector bodies. Our low cost base and stable workforce is a key advantage meaning that we should be able to secure work from other public bodies outside of our local area. **An example of this: -**

Children's services which persistently fail young people could be taken out of the Councils' hands and given to other high-performing local authorities, children's charities or "teams of experts", under plans unveiled by the current Government. The Education Secretary has told local authorities that improving children's services is not just about money, but about finding a different way of doing things.

We must make sure that we scrutinise every line on the budget and accept that we cannot improve services by doing "*the same old thing in the same old way.*"

High-performing local authorities, charities and experts could be brought in to turn children's services around – often by acting as sponsors, forming "trusts" to take over from authorities that are judged to be failing.

An opportunity therefore exists to provide our better performing services to other local authorities.

Significant income from other local authorities could be generated via this approach and considerably increased in the future by actively marketing our expertise across the broader public sector.

The Approach

Currently T&W has some success with generating external income, but this has been limited to opportunities within the local area. We propose to market our services nationally and will work with officers to find the most appropriate model and opportunities.

Set up costs of £750K will be transferred from the Invest to Save/Capacity Fund for this purpose.

There are a number of areas within the council which can be usefully shared. These include: -

Partnering

- Payroll
- Internal Audit
- Finance Team
- Legal
- Treasury management
- Senior Officer Team
- Architectural Services
- Highway maintenance
- Human resources

New Revenue Opportunities

- Children's services
- Planning
- ICT

Spending Review – As indicated within our 'Pilot proposals' for the Council's Leisure Facilities last year, designed to give Council managers greater commercial freedom, we favour a smaller central structure at the Authority, which currently costs the

Council over £12m per year, in favour of wider competition for the provision of services. T&W Council is now a much smaller organisation than it was 4 years ago which, given the likely direction of travel over the next few years, is likely to become smaller still. It is no longer the authority for which the current structure was designed.

We will commence a major spending and structure review to free up the ability of Managers to manage and provide services.

Youth and Adult Unemployment – We continue to fully support the Council's initiative for reducing Youth Unemployment and welcome the recent reduction over the past 12 months in the Borough's unemployment totals.

However, Youth Unemployment represents only part of the challenges in this area and we would like to build on this success and in addition, launch an initiative for adult unemployment.

The Borough's modelled rate of unemployment (16-64 year olds) was 5.4%, which is lower than regional and national comparators. (Eng 5.6%, W-Mids 6.2%) Youth unemployment is estimated at 12.8% and is below regional and national comparators of 15.6% for England and 16.1% for the West Mids. (We are due an update on Wednesday 20th January; however the latest information available is for the period of July 2014- June 2015)

The effect of redundancy and job loss can have a debilitating effect on the self-esteem, health and living conditions of people who have a wealth of experience and a great deal to offer.

To provide support and reduce both adult and youth unemployment, we would allocate £0.5m from the Invest to Save/Capacity Fund.

The equates for example, to 78 new Apprentice roles for one year, or a lower number of adult training roles. if all the roles filled were for Apprentices then given the number of around 1,400 unemployed young people in the Borough, this would be a reduction of over 5%" We would work with Officers to devise a suitable Adult scheme, the end result of which being a reduction in both Adult and Youth unemployment, through year long training and work experience placements. The actual outcome would therefore be a mix of Adult and Youth employment opportunities.

Rights of Way

Surprisingly, two thirds of Telford & Wrekin is rural and the enjoyment and access to our countryside is an important resource to be enjoyed by the community. The health benefits of walking are well known and may have a greater benefit to the community than the offer of free swimming which has now been withdrawn.

This budget has been underfunded by the current Labour Administration and it is proposed to provide an additional £0.1m to enhance the work of the authority in both rural and urban areas on top of the existing proposals.

Highways

We remain committed to investing in the highway infrastructure of the Borough, as outlined in our previous budget proposals but given the dramatic increase in debt by the current Administration we would wish to launch a comprehensive review of all assets to find the most effective way of investing fully in the infrastructure whilst reducing the debt level down to a manageable level. This will require extensive officer time and is therefore outside of the scope of this budget proposal.

Education

We propose to set aside £0.075m for an urgent review of school places across the Borough due to: -

The cut in the number of Secondary School places made by the current Labour Administration at a time of unprecedented house building

The current Labour Administration's proposal by to build a total of 15,555 new homes across the Borough. (When the Council's own Housing Needs Survey suggests less than 10,000 are needed.)

The belated action taken by the current administration to obtain capital monies from Housing Developers to build new Secondary Schools in the Borough which has left a budget shortfall.

REVIEW OF STAFF TERMS AND CONDITIONS

Given the difficult financial position of the authority, it is necessary to review the terms and conditions of staff and streamline the benefits available.

OTHER SAVINGS

We have identified a number of roles and functions that can be undertaken by other team members and our proposals include the removal of

- Direct Financial Support for Trades Unions
- Indirect Union support via free accommodation
- Reductions to membership subscriptions
- Reductions to conference attendance

Union membership and participation is welcomed; however it is considered iniquitous that tax payers in Telford & Wrekin should be paying for Union representation for Council Officers, facilities which should be paid for by employees themselves. In many instances Council Officers also live outside of the Borough and we question why these facilities should be paid for by T&W Council tax payers.

Review of the Labour Administration's Proposals.

There are some areas of the Administrations budget which are supported, such as the separate precept for Adult Social Care. However, we disagree with the potential for Council Tax increases implied in the Administration's consultation exercise and our budget proposals keeps any further Council Tax increase this year to zero.

The Super CRC site proposed is welcomed. This u-turn reverses the short sighted suspension of the previous Conservative Administrations proposals which would have gone ahead in 2011/12 had Labour's 100 day budget not frozen this project. This site would already have been operational and the savings already available to the Council.

We fundamentally disagree with the Labour Administration's plan for the Borough's Library Service: -

"The aim of the review is to close the following libraries: Dawley, Donnington, Hadley, Madeley, Newport, Stirchley, Mobile Library Service."

The Administration's aim to close the above Borough libraries is without strategic thought and tantamount to a 'slash and burn' approach.

In particular, with proposals to retain two major libraries at the centre of the Borough, the high usage of Newport (76,750 visitors) and Madeley (36,500 visitors) clearly demonstrate the strategic need for also retaining and supporting these two facilities in the north and south of the Borough.

Consequently our budget proposals cancel these suggested closures.

We are aware of a different approach undertaken by a number of local authorities through the formation of a 'Public Service Mutual' as a vehicle for library service provision to ensure libraries not only remain open but prosper whilst delivering savings to their respective Local authorities.

We would approve funding from the Invest to Save/Capacity Fund to explore this proposal.

The four year Grant settlement from Central Government implies that additional savings will need to be identified for future years. Our approach will be to work with officers now to identify additional savings and bring them forward to 2016/17 and 2017/18. However given the amount of officer time this would require, we have shown balances as being used in their place which would allow time for appropriate alternative savings to be identified.

Summary of Budget proposals

Budget Summary

	2016/17 <u>£ m</u>	2017/18 <u>£ m</u>
2016/17 Projected Budget Gap	10.462	22.954
Add: Revenue cost Asset Sales	1.079	0.705

Investments

Cost of Accelerating Govt. Living Wage Increase	0.035	0.240
Education - Review of Secondary School Places	0.075	
Development of Borough/Local Plan	0.100	
Rights of Way	0.100	
Total Investments	0.310	0.240

Deletion of Administration Savings

Savings Proposals (net of pressures)	(9.870)	(20.076)

Add Back Savings Re-instated:

No 7 - Burials element	0.020	0.045
No 12 - Seasonal Permits	0.004	0.004
No 18 - Bulk Collections	0.000	0.030
No 21 - Litter	0.180	0.180
No 36 - Madeley Library	0.000	0.117
No 40 - Newport Library	0.000	0.122
No 66 - School meals	0.040	0.080
No 76 - Music officer	0.010	0.010
No 91 - Ice rink	0.040	0.040
No 92 - Ski Slope	0.000	0.016
No 93 - Wellington	0.015	0.075
No 95 - Leisure	0.060	0.180
No 126 - 16+ Transport	0.025	0.025

No 152 - Short Break Officer	0.025	0.050
No 157 - Transport	0.100	0.400
No 165 - Youth Clubs	0.151	0.302
No 166 - CSO	0.000	0.121
No 193 - Age UK	0.025	0.000
	0.695	1.796
Destination Telford ceases	(0.160)	
Joint Working	(0.125)	(0.125)
Revenue from 2% Social Care "Precept"	(1.078)	(2.178)
Other Savings including Trade Union costs	(0.100)	(0.100)
One off single status reserve		(1.000)
One-off Use of Balances	(1.213)	(2.216)
Total Benefits	(11.851)	(23.899)
Residual Budget Gap	0.000	(0.000)

Conclusion

Our alternative strategy represents a major departure from the current Administrations strategy.

Our proposals:-

- Reduces Debt by £72.2m,
- Reduces the risks the council faces
- Proposes a new strategy for incremental income generation.
- Reduces Union Subsidies
- Accelerates implementation of living wage
- Increases the number of Apprentices in the Council by 78 for 1 year
- Better planning for school places.
- Review and Revise Shaping places
- Review rights of way
- Reduces the extent of service impacts and reductions

Budget Proposals prepared by: -

Councillor Adrian Lawrence FCA

Councillor Dave Wright

Councillor Andrew Eade

ROBUSTNESS OF THE ALTERNATIVE BUDGET STRATEGY PROPOSED BY THE MAIN OPPOSITION GROUP.

The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to give a view on the robustness of the Council's financial strategy including the use of balances and of the financial planning process.

The alternative budget put forward by the main Opposition group will be considered by full Council on 3rd March 2016 and it is therefore appropriate that a view on the robustness of the alternative budget proposals is provided.

The proposals put forward by the main Opposition Group are substantially the same as those put forward by the Administration including the same assumptions on:-

- Income generated from council tax and from implementing the social care precept.
- Investments, pressures and the transfer of funds from the 2015/16 projected underspend to fund one-off costs associated with the delivery of future savings. However, additional one-off investments of £0.275m in 2016/17 relating to reviews of policy on school places, "Development of Borough/Local Plan" and Rights of Way are included. Acceleration of implementation of the Government's "Living Wage" is also proposed at a cost of £0.035k in 2016/17 and £0.24m in 2017/18.
- The overall savings package, although savings totalling £0.695m in 2016/17 rising to £1.796m in 2017/18 are not supported and additional savings totalling £0.385m in 2016/17 and £0.225m in 2017/18 have been included.
- The capital programme although a reference to further (unquantified) investment in highways is referred to.

Key areas of difference include:-

- A proposal to reduce debt levels by not proceeding with/selling some of the commercial investments included in the Administration's proposals. This would have the effect of ultimately reducing debt levels by £72.2m compared to the Administration's proposals. However, there would be a revenue cost arising from losing the assumed profit from these schemes (i.e. excess of income over the cost of debt charges and operating costs). This revenue cost is £1.079m in 2016/17 and £0.705m in 2017/18 and has been built in to the summary shown on page 15 of the Alternative Budget report.
- A proposal to reduce the number of new homes to be built in the Borough by just over 3,000. Under the current local government finance system this would have a financial impact on the Council as income from council tax and New Homes Bonus would be around £6m pa lower than would otherwise be the case. However, this is unlikely to affect 2016/17 or 2017/18 significantly.
- Transferring £1m from the one-off funding set aside for single status in advance of being in a position to model the financial implications of the potential single status settlement. However, a balance of £10.8m would still remain in this provision.
- Commitments of £0.5m to fund 78 new Council apprentices for one year and £0.75m to fund a project to generate additional commercial income over and

above that already built in to the Administration's proposals. These commitments totalling £1.25m would be funded from the Invest to Save reserve.

- Use of one-off resources to balance the budget (over and above the call on the Invest to Save reserve) of £4.429m over the two years. Assuming that the £1m taken from the single status provision is not required for single status, this would use £3.429m of the £4.6m one-offs currently projected to be available at the end of 2015/16, leaving only around £1.2m of useable one-off balances available. Reducing available one-off balances to this level is a higher risk strategy than seeking to deliver the ongoing savings that are required without reliance on the use of one-offs but use of balances allows time for Officers to develop further ongoing savings proposals.

Additional comments:-

- As Chief Financial Officer, I consider the investment strategy that has been adopted by the Administration to be sound and entirely reasonable. Clearly there are risks in implementing such initiatives but there are also financial risks in managing many aspects of the Council's Budget and in seeking to generate additional income from trading, which is a feature in both the Administration's and Alternative Budgets. The issue is to ensure on-going effective management of these risks across the organisation and the track record of the Council to date of robust financial management, in an extremely volatile period of major reductions in Government funding, is very strong. Despite very significant financial challenges the Administration have consistently delivered financial outturn within budget and the Council's accounts continue to receive an unqualified external audit opinion. Income from NuPlace, the Solar Farm and the proposed additional PIP investment represents a small percentage of the total council budget. All reports considered by Cabinet include details of financial implications and major projects are, in my opinion, effectively managed – including the management of risks.
- Most support services generate income from schools and other external clients. The proposed sharing of these services could potentially jeopardise this income or result in some of the benefit being shared with another Council. Therefore specific proposals would need to be subject to consideration of a business case to understand the full implications for the council including any penalties for early termination of IT supplier contracts and one-off project costs.
- The proposed "major spending and structure review to free up the ability of managers to manage and provide services" referred to on page 12 of the report could potentially jeopardise significant income of around £7m pa currently generated from schools and other external clients if it was deemed to indicate that the Council itself does not have confidence in the value for money offered by the council. The details of how this review would be undertaken and the potential implications are not sufficiently clear at this stage but potential issues include, a risk that costs increase if duplication in systems and processes arises, e.g. if several managers go through individual contract specification, tendering and monitoring exercises. Additional costs could also potentially arise if some managers decide that for example they do not wish to purchase HR advice and create equal pay or equalities issues that result in claims against the Council or if statutory requirements such as EU procurement legislation were not complied with when purchasing goods and

services from external suppliers. The Council may also need to incur additional costs if for example in order to prepare the accounts for the council as a whole, information has to be drawn from a number of different financial systems all needing interfaces in to the corporate system to be prepared etc. However no savings assumption has been set for the project.

However, the overall budget for 2016/17 would be likely to balance and can therefore be considered as robust.

Ken Clarke,
Chief Finance Officer.

Finance & Enterprise Scrutiny Committee

Response to the Alternative Budget Proposals from the Main Opposition Group

The Finance & Enterprise Scrutiny Committee is a politically balanced committee of eight non-Executive elected members and two standing co-opted members. The Committee is the main mechanism by which Cabinet consults annually with scrutiny on the budget proposals. The Committee also considers alternative budget proposals put forward by opposition groups during the consultation period.

The Committee held five meetings between 6 January and 3 February to scrutinise budget proposals including consideration of the Alternative Budget Proposals from the Main Opposition Group on 19 January.

The proposals were presented by the Group Leader Cllr. Andrew Eade and Cllr. Adrian Lawrence. Cllr. Lawrence expressed his thanks to officers for their support in developing the proposals. The Committee was asked to recognise that opposition groups do not have access to information and officer time in the same way as the administration which constrains capacity for more detailed modelling of proposals.

Cllr. David Wright declared a conflict of interest as a co-author of the alternative budget proposals and did not take part in the discussion about the proposals on 19 January or the formulation of the response to the proposals on 3 February.

The Committee noted the Chief Financial Officer's statement of robustness.

Comments of the Finance & Enterprise Scrutiny Committee

The Committee would like to make the following comments on the Main Opposition Group's Alternative Budget Proposals:

1. The Committee welcomed the support for the increase in the adult care budget as proposed in the administration's budget.
2. It was acknowledged that although there are key policy differences, there were substantial areas of similarity between the alternative budget and the administration's budget.
3. The Committee agreed with the recommendation that Single Status should be settled as soon as possible and that in the light of the reduced size of the workforce there was room to reduce the accrual, but not by the £1m proposed in the alternative budget. It was acknowledged that there may be significant residual monies available once Single Status is settled but the Committee accepted advice of officers that the accrual should be reduced by no more than £100k until the full financial implications of the settlement can be modelled.
4. The Committee agreed that no one wanted to see libraries closed and noted that funding for library services was an issue up and down the country. The main opposition group suggested scrutiny should look at alternative models for running library services from around the country, in particular the Public Service Mutual model used by Devon County Council, but in the absence of further information being put forward it was not possible for the Committee to consider the model further.

5. The Committee agreed with the principle that the Council should pursue a strategy of income generation to become more self-reliant but there were differences of opinion about the viability of the proposals in the alternative budget.
 - a) The majority view was that the proposal to sell off the solar farm and Nu Place homes did not make commercial sense because of the impact on the loss of future income for the Council. The projects demonstrate the entrepreneurial approach of the Council to income generation and proper due diligence had been carried on the projects. With regard to the income generation strategy proposed in the alternative budget, it was felt there was no evidence to support the view that there was a viable market for the Council's core services particularly when other local authorities and public sector bodies are facing funding cuts.
 - b) The minority view was that the solar farm and Nu Place should be sold off to reduce the level of debt and exposure to risk. The lack of in-house specialist skills in these sectors and the fact that future income could be affected by market changes or future legislation made these risky investments. There would also be costs associated with decommissioning the solar farm and land reclamation. It was felt that the Council should focus on generating income by developing Centres of Excellence in areas where the Council has a proven level of expertise which could be marketed nationally to other authorities, public bodies or private sector organisations.

Report prepared by Stephanie Jones, Scrutiny Officer 01925 383114.

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Tuesday, 26 January 2016 at 6.00pm in Meeting Room G3, Addenbrooke House, Ironmasters Way, Telford, Shropshire

PRESENT: Councillors R Sloan (Chair), C F Smith (Vice Chair), I T W Fletcher, K Guy, W Tomlinson and D Wright.

IN ATTENDANCE: Mr I Pennington (Director at KPMG) and Ms P Katrak (Arlingclose).

OFFICERS: R Partington (Managing Director), K Woodhouse (Senior Business Systems Support Officer), C Jones (Director of Children's and Adult Services), J Eatough (Assistant Director: Legal, Procurement & Commissioning), R Smith (Interim Assistant Director: Early Help & Support), J Middleton (Housing Investment Programme Manager), K Clarke (Assistant Director: Finance & Human Resources), P Harris (Finance Manager - Corporate Finance & Customer Services), J Marriott (Service Delivery Manager: Internal Audit, Information Governance & Insurance Services), B Morris (Finance Team Leader), and J Clarke (Democratic Services Support Officer).

AUC-28 APOLOGIES FOR ABSENCE

Councillor S Reynolds

AUC-29 DECLARATIONS OF INTEREST

None.

AUC-30 MINUTES

RESOLVED – that the minutes of the meeting of the Audit Committee held on 15 September 2015 be confirmed and signed by the Chair.

The Chair asked the Members of the Committee if they would be willing to move item 8 of the Agenda – Draft Treasury Management Strategy 2016/17 and update 15/16 to follow items 4 and 5 of the Agenda following the Treasury Management Training that had taken place prior to the meeting and the attendance of P Katrak from Arlingclose.

AGREED – that the Draft Treasury Management Strategy 2016/17 and update 15/16 be moved to follow items 4 and 5 on the Agenda.

AUC-31 KPMG ANNUAL AUDIT LETTER 2014/15

Mr I Pennington, KPMG, gave brief overview of the report which summarised the key findings from the 2014/15 audit of the Authority.

All of the information contained within the report had previously been to the Audit Committee and there was nothing new to report. Appendix 1 to the report summarised the report which had been issued since the last Annual Audit Letter.

A discussion took place which included:

- Adequate controls and value for money (vfm) opinion
- The work being undertaken around the question raised by an elector regarding Station Road, Newport

The Chair thanked KPMG for the report which the Committee had noted.

AUC-32 GRANTS REPORT 2014/15

Mr I Pennington, KPMG, gave a brief summary of the results of the work which had been carried out on the Council's 2014/15 grants claims and returns.

The Certification results on the Council's Housing Benefit Subsidy claim resulted in an unqualified certificate and a reasonable assurance report was issued in relation to the Teachers' Pension Contributions return. This had been a good report for the Council with no issues to report.

A discussion took place around the criteria used for determining which grants would be audited. Mr Pennington confirmed that it was the grant givers who requested that an audit took place. These requests had been received from:

- DWP – Housing Benefit Subsidy
- Teachers' Pension Agency – Teachers Pension Contributions Return

The Chair, on behalf of the Committee, thanked all officers involved with the audits for their hard work which had put the Council in a good position.

The Chair asked that the Committee note the report.

AUC-33 DRAFT TREASURY MANAGEMENT STRATEGY 2016/17

The Finance Manager - Corporate Finance & Customer Services presented the 2016/17 Treasury Strategy and Treasury Update Report which listed activities undertaken during 2015/16 and detailed the Treasury Strategy which was recommended for adoption during 2016/17. Any changes through the budget consultation would be made and a copy of the final report would be circulated to the Committee. She also thanked Ms Katrak, from Arlingclose, for the training that was delivered to Members prior to the Committee Meeting.

The treasury portfolio showed an overall net indebtedness of £130.4m at the end of December. Base Rates had remained at 0.5% all year with the next move expected to be upwards towards the end of 2016 or early 2017, but this was unknown at this stage.

The borrowing strategy for 2015/16 was to use maturing investments to reduce borrowing and then take up new borrowing with shorter maturity dates before gradually lengthening maturities. Part of the EIP PWLB loans had matured but no new loans had been taken out. Short term borrowing had been used to fund short term cash flow requirements and to take advantage of low interest rates. The investment strategy for 2015/16 was to gain maximum benefit with security of the principal sum invested being the primary consideration and the return on internal investments at the end of December 2015 was 0.43% compared to the benchmark return of 0.30%.

The Treasury Management Strategy had been set within the parameters of statute and adhered to the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management and the Prudential Code.

The Council was expected to borrow up to £53.1m in 2016/17 based on the current capital programme plans but would adopt a flexible approach to borrowing following consultation with Arlingclose, the Council's Treasury Management Advisors and taking into consideration affordability, maturity profile of existing debt, interest rate and refinancing risks and borrowing sources. It was expected that the strategy would be kept to short-term investments and costs kept to a minimum.

Maximum investment levels with counterparties would be set to ensure prudent diversification was achieved whilst recognising strict investment criteria that the Council applied to severely reduce the number of suitable available counterparties and sums with individual counterparties had been reduced from £20m to £15m at any one time in order to spread the risk.

The Council's Minimum Revenue Provision Statement had been updated to state the exact policy for each borrowing type and would apply from 2015/16. Although this policy was broadly in line with that previously agreed, it was being extended to include the Public Finance Initiative (PFI) Agreement and changed the way that MRP was charged in respect of historic borrowing. This included backdating the adjustments to the start of the prudential regime and would produce a net saving of £5.3m in 2015/16, £5.7m in 2016/17 and £5.3m in 2017/18. These savings would then remain broadly at £2.4m until 2033/34 before ultimately becoming a cost. This saving was calculated using the government's green book discount rates and present a value of saving of £50m.

A discussion took place including:

- Maturing/Long term investments
- Short term cash flow
- Investments
- HIP/PIP figures

As the Treasury Management Strategy was due for final approval at Council on 3rd March it was suggested that recommendation 3 of the report be "noted". Members unanimously agreed that this amendment be made.

RESOLVED – that:

- a) the Treasury Management activities for the first half of the year be noted;
- b) the Treasury Management Policy Statement be noted; and
- c) the Treasury Strategy, including the Annual Investment Strategy for 2016/17 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which would apply from 2015/15 onwards be noted.

AUC-34 ADULT SOCIAL CARE SYSTEMS UPDATE

R Smith (Interim Assistant Director: Early Help & Support) and K Woodhouse (Senior Business Systems Support Officer) gave a verbal update on the current position with regard to the adult social care systems.

The Interim Assistant Director: Early Help & Support gave the Members some background regarding the need for changes to the system. In April 2015 there were changes to Part 1 of the Care Act 2014 which required adult social care to develop work streams for the funding programme and deferred payments which meant that older people would not have to sell their homes to fund their care and that they were given information and guidance, together with being assessed for their eligibility and level of need for help. A Telford and Wrekin Care Act Implementation Board was set up to oversee the implementation programme for the delivery of these requirements and the work streams which included:

- Funding reform & Deferred payments
- Commissioning
- Information and Advice
- Assessment & Eligibility
- Safeguarding
- Workforce Development
- Infrastructure
- Communication & Engagement

These work streams ensured that there was an efficient service for health and wellbeing which would reduce the delays in delivering adult social care and set up a first point of contact for adult social care needs in order to deliver a person led service. It would also ensure that financial assessments were undertaken and people charged appropriately. The planning of services would need to be integrated and become partnership working.

A Telford and Wrekin Safeguarding Board was set up in order to support transition arrangements between authorities and ensure that robust care and support was in place. It was also important to meet the Care Act responsibilities towards carers and meet family needs.

The Care Act Board had now been stepped down but a number of Director's Challenges had taken place with officers in order to give reassurance that the Act had been implemented appropriately. The Care Act also required the Council to complete a quarterly stocktake and undertake benchmarking exercises. A new target operated model had been implemented in order to meet the Care Act responsibilities.

Part 2 of the Care Act 2014 postponed the funding reforms until 2020. These reforms had included a cap on care costs. This work would need to be looked at in the near future in order to have work streams and infrastructure in place to give reassurance to the Committee.

The Interim Assistant Director: Early Help & Support updated the Committee on the current position with regards to the Abacus system and the improvements made since the last report on 15th September 2015.

In order to be Care Act 2014 compliant the following requirements needed to be met:

- Improve financial controls
- Accurate recording of client expenditure and income
- Improved process efficiency (via an interface between CareFirst and Abacus)
- Statutory reporting requirements SALT (Short and Long Term Care return) and ASC-FR (Adult Social Care Finance Return)

The Senior Business Systems Support Officer informed the Committee that Abacus had been upgraded to version 170R1 on 1st December 2015. The upgrade had facilitated the implementation of the deferred payments module which enabled the Council to provide service users with the facility to defer payments for care against their capital, with automated calculations identifying when a service user reached their equity limits. The module reduced the margin for error and made the process more efficient and to allow for closer monitoring and ensure the Council is Care Act Compliant.

It was intended to interface CareFirst and Abacus in order to remove duplication and to allow information input into Carefirst to be transferred through to the Abacus system automatically. Further scoping work had identified the need to commission the system suppliers to assist with a partial re-build and this work would begin imminently and continue until March. Once this work had been completed and thoroughly tested it would deliver the direct payments module and a timeframe of April/May 2016 was envisaged for completion.

The Interim Assistant Director: Early Help & Support would circulate a briefing note to the Committee following the meeting. The Committee's role was to look at the size of the budget and assesses where the Council were with the ICT issues. He looked forward to the time when the Committee could discharge the Abacus system, but unfortunately they were not quite in this position yet.

A discussion took place including:

- The size of the IT system
- The interface
- Overall control of the system
- Testing of the systems, including non-scheduled testing and sample testing
- Efficiency of the system once completed
- Quality Assurance processes
- Financial confidence in the interim period and ensuring the system was accurate, on time and that checks and balances were in place
- Final sign off of system and the expected date for completion

The Service Delivery Manager: Internal Audit, Information Governance & Insurance Services confirmed that regular meetings took place with the Care Act Lead Officer and that a formal review would take place as part of the audit process next year.

It was expected that the sign off would be July 2016, but that this may be an optimistic date, given the unknown findings and testing and the reliance on supplies providing a fix for any errors, if found. New releases to the system would be expected year on year to reflect the changes to the Care Act and there would be a regular sign off programme.

The Chair suggested that he meet with the Vice-Chair and the Assistant Director: Early Help & Support and Service Delivery Manager: Service Improvement & Efficiency in late March in order to discuss progress and the Chair bring a verbal update to the June meeting of the Committee with a formal update in September 2016.

It was also requested that reports come to the Committee in writing rather than verbal reports.

AUC-35 SIGNIFICANT PROJECTS RISK REGISTER AND ASSURANCE OF RISK MANAGEMENT

Better Care Fund, Care Act and Social Care Change Board

The Director of Children's and Adult Services gave a verbal report on the Better Care Fund and with regard to the Care Act and Social Care Change Board.

The Better Care Fund (BCF) now had a S75 Agreement for the pooled budget of £10m for the 2015/16 in place and had reached moderate success on the plan and spending was within budget. This was a foundation year for the fund and enabled the Council to build a relationship with the Clinical Commissioning Group (CCG) which would continue into 2016/17. The Council had reached a reasonable outturn within 2015/16 but had not moved funding around within the pooled budget. The Council was working with the CCG to identify a shared narrative based upon "Being the Change" in particular the building of community resilience capable of managing inappropriate demand away from health and social care services.

The Council and CCG were currently working to establish the pooled BCF budget for 2016/17. This was likely to include a larger contribution from the CCG and the continuing protection of spending on social care.

The Service Delivery Manager: Internal Audit, Information Governance & Insurance Services confirmed that the Better Care Fund has its own risk and issues log. There was a BCF Strategic Group who met to discuss finances and although there had been successful meetings there were still things to tease out due to the substantial sums of money involved and the need to establish the risks.

A discussion took place including:

- Pooled budgets and the uncertainty around continuing health care (CHC)
- The Council's engagement with SaTH
- Different BCF Models in other areas and looking at the options via the Health and Wellbeing Board, the Council's Cabinet and the CCG Board.

A question was raised with regard to who was responsible for health services provided for a non-Telford resident who needs health care whilst visiting Telford. As the Director of Children's and Adult Services did not have the answer to hand a written answer would be supplied to answer the question.

Single Status

The Assistant Director: Legal, Procurement & Commissioning gave a verbal report on the current position with regard to Single Status.

Single Status was progressing well and a Job Evaluation Scheme was being developed.

As far as governance was concerned the Single Status Implementation Team met monthly to discuss progress against a project plan.

There was now a joined up approach to how the project was being managed alongside a linked project to implement a new payroll system prior to Single Status being implemented.

With regard to affordability, money had been set aside to meet single status liabilities. The Budget had been reduced pro rata due to the reduction in the size of the Council workforce.

A discussion took place including:

- Problems with the existing scheme
- Evaluations within the new scheme
- Budget set aside including claims/protection costs/one-off funding costs and appeals
- Data cleansing

Housing Investment Programme

The Managing Director and the Housing Investment Programme Manager presented a verbal report on the Housing Investment Programme.

In January 2015 the Council took its Business Case to Cabinet, following external advice from Savills, to deliver 425 private and affordable rented properties following earlier approval from Cabinet and Council in 2014. The Business case contained an extensive risk register and the Council was mindful of the risks when investing £45m. Clear aims were requested by Cabinet that the Council set the standard for a quality private rented offer and a private landlord. Cabinet also requested that the council diversify in order to reduce the risk.

The Project Team met 4 weekly and consisted of some officers from the Senior Management Team, the Service Delivery Manager: Housing Investment Programme Manager, and officers from Finance, Legal and members of Telford Homefinder. A Project Board meeting was held every 6 weeks and consisted of the Managing Director and 2 Cabinet Members who had been given delegated powers through the business case and the strategic risk register was reviewed as the projects moved forward.

The Service Delivery Manager: Internal Audit, Information Governance & Insurance Services confirmed that there was a governance structure in place and decision making arrangements were made through the Business Case and required Cabinet approval. External Solicitors had drawn up a set of Agreements in order to operate the business case and to take into consideration the business case for Nuplace and respond to its requirements.

A discussion took place regarding the business case and plans and Members asked how many units had been built so far.

The Housing Investment Programme Manager confirmed that they were currently working on Phase 1. There were 3 phases with approximately 400 units in total. Phase 1 was on site and construction was underway on:

- Woodlands (former Woodland Primary School) – 101 market rental units of which 33 had been built and let which were one third of the properties with very little marketing. The remaining properties would be advertised on “Right Move”

Phase 2 was currently at the stage of processing planning applications for the sites which included:

- Matlock Avenue, Malinslee (former Malinslee Primary School)
- Madeley Court (former Madeley Court and Leisure site)
- Newport (Springfields)

Phase 3 was at the discussion stage.

The Managing Director confirmed that there would be a further report to Cabinet at the end of March.

A discussion took place regarding the project and included:

- Assurance that the Board was looking after the Project at arm's length
- Right to Acquire properties rather than rental
- Affordable rents or Private market rents
- The rules surrounding the spending of the Company and the Management Charges
- Accounts – Telford & Wrekin stand-alone accounts and the Group Accounts

**AUC-36 2015/16 INTERNAL AUDIT QUARTERS 2 AND 3 UPDATE REPORT;
UPDATE OF THE INTERNAL AUDIT CHARTER FOR 2016/17;
EXTERNAL ASSESSMENT IN RESPECT TO THE PUBLIC SECTOR
INTERNAL AUDIT STANDARDS**

The Service Delivery Manager: Internal Audit, Information Government & Insurance Services updated Members on the work of Internal Audit during quarters two and three, July to December 2015 together with an update on the Internal Audit Charter for 2016/17 and the External Assessment against the Public Sector Internal Audit Standards.

There were 9 Amber reports issued during quarters two and three details of which could be found at Appendix D to the report, together with one part of the opinion for Cash Collection. Variances in the timescales allocated by +/- 10% could be found at 5.4 to the report and the Team as a whole were to look at time allocations across the areas.

Reports that remained Amber could be found at 5.7 to the report. The Abacus system concerns had already been reported earlier in the meeting. With regards to Moorfield Primary School, this had moved from Amber to Yellow and it was hoped to move this forward at the next audit. Direct Payments had been delayed due to the implementation of the new system and a full review was due to take place in 2016/17 following the restructures. Charlton School was due to have a visit during the forthcoming week. Section 17 payments was still currently rated Amber but a further follow up visit was due in April 2016.

A discussion took place regarding:

- Amber/Yellow reports regarding Abacus Systems
- St Matthews School – due to a new head and business manager being in place extra time had been given prior to the next audit taking place
- Multi Storey Car Park – 121% variance

The Public Sector Internal Audit Standards required that the Council's Internal Audit have a Charter which sets out the purpose, resources, reporting and other information important to the provision of services. The Council's draft Internal Audit Charter 1st April 2016 – 31st March 2017 could be found at Appendix E to the report and had been reviewed and updated to reflect:

- The Internal Professional Practices Framework – the 10 core principles for the Professional Practice of Internal Auditing;
- The resources available for 2016/17;
- The revised title of the Service Delivery Manager to Internal Audit, Information Governance and Insurance Services as she took over responsibility for Insurance on 17th November 2015 (although the current retender is being completed by Finance colleagues); and
- Other minor changes to reflect the changing organisation.

Members were asked to approve the Internal Audit Charter.

The PSIAS in Standard 1310 of the Quality Review and Improvement Programme (QAIP) set out the requirement for internal and external assessments of the Internal Audit activity. Standard 1312 stated that an external assessment must be conducted at least once every 5 years and therefore all Councils would need to have completed an external review prior to the 31st March 2018. Given the likely demand for reviews in the financial year 2017/18 together the scheduled restructure within Finance & Human Resources within this period, it was suggested that it would be prudent to have an external review during 2016/17. It was felt that although an external peer review could be a cost effective approach, independence criteria would need to be met. A collaborative approach had been taken by Staffordshire Chief Auditors Group (SCAG – made up from Staffordshire County Council and the shire districts plus High Peak BC and Staffordshire Fire and Rescue) led by Newcastle BC had undertaken work during 2015 in order to confirm to the standards but keep down time and costs for respective authorities. Shropshire Council and Telford & Wrekin Council had been invited to join these arrangements subject to Audit Committee approval. These costs were expected to be in the region of £2-£3K and were a one-off cost that could be taken from the budget.

The Committee were asked to endorse these collaborative arrangements.

RESOLVED – that

- a) the Internal Audit update information for quarters 2 and 3 2015/15 be noted;
- b) the 2016/17 Internal Audit Charter attached as Appendix E be approved; and
- c) the procurement route for an external assessment of Internal Audit against the PSIAS as set out in Section 7 with final details to be agreed by the Service Delivery Manager: Internal Audit, Information Governance & Insurance Services in consultation with the Chair of the Audit Committee and Chief Financial Officer be agreed.

AUC-37 UPDATE ON THE ANNUAL GOVERNANCE STATEMENT 2014/15 ACTION PLAN

The Service Delivery Manager: Internal Audit, Information Government & Insurance Services reported on the Annual Governance Statement 2014/15 Action Plan which

the Council was required to produce and best practice was that the statement should include an action plan for further improvement. The report set out the progress made to the end of November 2015 against the actions agreed in this action plan in June 2015.

A discussion took place including:

- Governance changes within the last 3 years and the resources to undertake the work
- Ensuring the Council was legally and financially covered for risks
- Members being prepared to challenge officers

RESOLVED – that progress made against the actions in the AGS Action Plan (Appendix A) be noted.

AUC-38 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2015/16

The Service Delivery Manager: Internal Audit, Information Government & Insurance Services reported to Members that the last survey to review the effectiveness of the Audit Committee had been undertaken in February 2013. A decision was made by Audit Committee in January 2014 to undertake surveys bi-annually but to postpone the next survey until after the Council's elections in May 2015.

It was good practice for the Council and the Committee to review its effectiveness as it helped to demonstrate good governance by measuring and reporting on its effectiveness, including identification of any improvement areas.

Members were asked to approve the draft Survey which could be found at Appendix A to the report and that the result of the survey be brought to the June 2016 meeting.

RESOLVED – that

- a) the survey attached at Appendix A be agreed and that it be issued to those outlined in paragraph 5.2 to measure the effectiveness of the Audit Committee; and
- b) that the results of the effectiveness survey will be presented to the June 2016 Audit Committee be agreed.

The meeting ended at 8.16 pm

Chairman:

Date:

FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Wednesday, 6 January 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PRESENT: Councillors S A W Reynolds (Chair), S Bentley, S Burrell, N Dugmore, R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

ALSO PRESENT: Councillor L Carter, Cabinet Member for Council Finance & Service Delivery; K Clarke, Assistant Director Finance and HR.

IN ATTENDANCE: F Bottrill, Scrutiny Group Specialist; S Jones, Scrutiny Officer.

FESC-01 MINUTES

RESOLVED – that the minutes of the meetings of the Budget & Finance Scrutiny Committee held on 17 February 2015 be confirmed and signed by the Chairman.

FESC-02 APOLOGIES FOR ABSENCE

None

FESC-03 DECLARATIONS OF INTEREST

Cllr. Evans declared an interest as an employee of a care provider contracted by the Council for discussion about the adult care budget.

Cllr. Bentley stated he would declare an interest during the meeting should any matters of conflict arise.

FESC-04 SERVICE & FINANCIAL PLANNING STRATEGY 2016/17 – 2017/18 (DRAFT BUDGET PROPOSALS)

The Chair welcomed Members to the first meeting of the Finance & Enterprise Scrutiny Committee to consider the budget proposals. The financial situation meant that very difficult decisions were required which made the scrutiny process more important than ever. She welcomed the re-appointment of Roy Williams as a co-optee and the appointment of Cindy Mason-Morris as a co-opted member of the Committee. Ms Mason-Morris had some excellent experience which the Chair was sure would assist the Committee in its work.

The Chair set out the purpose of the meeting which was to receive a presentation from the Cabinet Member on the draft Service & Financial Planning strategy for members to ask questions and identify areas for further scrutiny. She welcomed Cllr. Lee Carter, Cabinet Member for Council Finance & Service Delivery, and the

Assistant Director Finance and HR to the meeting. She thanked Cllr. Carter for attending to present the budget proposals in advance of Cabinet and clarified that the Committee understood that the proposals were subject to change and agreement for consultation by Cabinet on 7 January.

Cllr. Carter then gave a Powerpoint presentation highlighting the key points of the Service & Financial Planning strategy (draft budget proposals) including the national context of the disproportionately high level of cuts to local government budgets compared to other government departments; the Council's projected budget shortfall 2016/17-2018/19; the spending profile and budget pressures; cumulative savings to date; options for consulting on the level of Council Tax; almost 200 savings proposals; the budget communication and engagement strategy. Key messages were the 20.87% cut to the Revenue Support Grant for 2016/17 and the need to save another £30.7m over the next three years (in addition to the £80m cumulative annual savings already made) which would necessitate making cuts to services. The 32 service cuts identified as having the most significant impact for residents had been planned for 2017/18 to allow time to consult with other organisations and local communities on their involvement in future delivery. The priority was to protect services for vulnerable children and adults.

Members then asked a number of questions:

- The Assistant Director (AD) confirmed for Cllr. Dugmore that the 53% cut to the Local Government departmental budget was the cumulative cash reduction in funding over four years. The reduction could be partly mitigated by the Chancellor's announced proposal for 100% retention of business rates by local authorities. It was not known when or how the change would be implemented and there would be a consultation on changes to the local government finance system. The government had made it clear, though, that in return for retaining 100% of business rates local authorities would be expected to assume responsibility for the administration of funding of other areas such as the Public Health grant.
- Cllr. Dugmore asked for more information about the 'Efficiency Strategy'. The AD explained this was something the government had introduced as a requirement for local authorities in return for a four year settlement. This would be helpful for planning over a longer period and give authorities more flexibility to use capital receipts to fund the revenue costs of services generating efficiency savings. There was limited guidance about what would be required in an Efficiency Strategy but Greg Clarke had said that there would be a light touch approach and it was felt that Telford & Wrekin was well placed to articulate how it had and continued to transform to be more efficient. The Efficiency Strategy would be agreed by Full Council.
- Cllr. Dugmore asked how the Council's spending power – calculated as 8% below national average – had changed compared to previous years. The AD clarified that there had been a change to the calculation methodology. The previous approach had not been considered accurate and the government had responded to criticism by amending the calculation to exclude some Better Care Fund and public health grants. The new calculation meant there had been an

adjustment of almost -3% nationally which equated to a total of £11.1m less spending power in Telford & Wrekin compared to the national average. Cllr. Carter clarified that funding not controlled by Local Government had been excluded from the calculation.

- Cllr. Sloan raised two issues he would like to look at in more detail. The first was the proposed library closures which were likely to be contentious and Ward members would be asked questions by residents. He welcomed the strategy to find a way forward and felt it would be helpful for the committee to have a breakdown of how the savings were made up, including whether the £10,930 costs for Hadley library included lease costs and details of the terms of the lease which Cllr. Sloan requested on behalf of the Parish Council to consider further. The second was the proposed change to the school transport policy which projected to significant savings of £100k in 2016/17 and £300k in 2017/18 but with little information about how the saving were broken down or the impact particularly in the rural areas and he would like more detail. Cllr. Carter referred to the comments about the forward strategy for libraries and made a wider point that it was difficult to set out a prescriptive approach because the conversations on the forward strategy for services affected by the proposals would be different across the borough. There was an open book policy and he, with senior officers, would talk with and provide information to anyone who could offer support including voluntary sector and community groups.
- The Chair noted other scrutiny members present in the public gallery and said she would exercise her discretion as Chair to allow them to ask questions.
- Ms. Mason-Morris noted the intention to consult on proposals with a significant impact but felt the impact of some proposals was not clear and wanted to know what criteria had been used to assess the impact of changes and identify the priorities for consultation. The Assistant Director replied that 32 proposals had been prioritised for consultation and were highlighted in purple in Appendix 2. There were two phases of budget consultation: one on the overall package and options for Council Tax (which would be agreed by Council on 3 March) and then detailed consultation on the proposals that would have a significant impact on the community. Officers preparing reports had identified savings which would have a community impact and the saving would not be taken until 2017/18 to allow time to consult with other organisations and groups on how to mitigate the impact of the change and how the service could be delivered in future, for example if a Town or Parish Council were able to take over a service. The budget proposals included an allocation of one-off funding to help negotiate packages with town or parish councils or other organisations and community groups. Ms. Mason-Morris said it was still not clear how 'significant' impact was assessed for example in relation to the closure of a library and the Assistant Director replied that all the proposed changes to the provision of libraries were deemed significant.
- Mr Williams asked if the 2% social care precept was included in the additional £1.6m investment in the adult care budget in 2016/17. The AD confirmed it was assumed in the additional £1.6m but with the level of savings required by cuts in grant funding the current projection was that the adult care budget would fall back by £800k in 2017/18 compared to the 2015/16 budget. Mr Williams had further

detailed questions but the Chair informed him that the Cabinet Member for Adult Social Care, Cllr. A England and officers would be attending the Finance & Enterprise Scrutiny Committee meeting on 13 January and would have an opportunity to ask questions then.

- Cllr. Burrell remarked on the sizable saving projections from the changes to the schools transport policy and expressed concern about the impact of the withdrawal of the transport subsidy on children attending faith schools and wanted to know if the savings would impact disproportionately on denominational grounds. The Assistant Director did not have detailed information and the question would need to be referred to the relevant Cabinet member and officers.
- Cllr. Dugmore questioned proposal 58 to remove the ability to print in colour and felt it was important to retain the ability to print in colour where it was important for example on planning documents. The Assistant Director said the default print option was black and white because colour was eight times more expensive but he accepted the point that colour may be needed occasionally. Cllr. Dugmore suggested the wording of the proposal could be changed from 'remove' to 'reduce'. Cllr. Cater pointed out that the key saving was to be made from the renegotiation of photocopier lease costs.
- Cllr. Dugmore questioned proposal 29 to move to LED street lighting and that it would generate the level of savings projected. His local parish council had looked into this but found it had cost a lot to enter the programme. He questioned whether the return on investment was enough to justify the cost of expensive LED bulbs and he would like to see the figures to be convinced. The Assistant Director replied that the Assistant Director for that service area Angie Astley would be able to talk members through the business case and this was an invest to save proposal which showed a net revenue benefit. Cllr. Dugmore said he was sure the new bulbs would be better but if there was nothing wrong with the old bulbs the spending on the programme could be put on the back burner. The AD replied that this was something the committee may want to scrutinise.
- Cllr. Wright asked if the allowable 2% increase in Council Tax (the social care precept) had to be ring-fenced for adult social care and the AD confirmed that it did.
- Cllr. Dugmore asked if the £80m saved so far was a cumulative total or an on-going annual saving and the AD confirmed it was cumulative saving made each year.

There were no further questions and the Chair thanked Cllr. Carter and the AD for their attendance and they left the meeting. The Chair opened a discussion about which issues the committee would like to consider in more detail at future meetings and reminded members that Cllr. Arnold England would attend the meeting on 13 January to discuss the adult care budget and Cllr. Andrew Eade would attend the meeting on 19 January to present the alternative budget of the main opposition group. Members made the following requests:

- Cllr. Sloan asked if Cllr. Clare could be invited to a meeting to discuss libraries. He suggested it would be useful to have a breakdown of usage for each library and Cllr. Evans drew members' attention to Appendix 3 (Savings proposals identified as relevant to the Equality Duty) which included a breakdown of lending rates and visitors at each library. Cllr. Dugmore wanted to know more about the cost of the mobile library particularly why it was servicing locations with a weekly average of zero customers. Ms Mason-Morris pointed out that proposal 93 was to generate more income from the health and fitness centre in Wellington by reducing the amount of library space but this had not been highlighted in the presentation as a proposal to reduce library services and she wanted more information about the potential impact on library users. It was also discussed that the committee would like clarification of the consultation process.
- Cllr. Sloan agreed with Cllr. Burrell that the committee needed clarification on how the savings figures arising from the proposed changes to the schools' transport policy (157) had been arrived at, possibly by requesting a written response with a view to questioning the Cabinet member at a meeting. Cllr. Burrell repeated his concern about the potential disproportionate effect of the change of policy on children from faith communities, particularly given the change in location of the faith based academy, and on children and families in rural areas. He would not want to respond to the proposals without knowing the details and would like answers from Cllr. Watling and officers. The Scrutiny Group Specialist suggested members may want to ask questions about proposed cuts to prevention services and some children's centres which Cllr. Watling has raised with the Scrutiny Management Board.
- The Chair confirmed with members that they would like to see the business case for the replacement LED bulbs in street lights
- Cllr. Smith said he was concerned about proposal 28, reactive highways maintenance, and the impact it would have on road and pothole repairs which were a key issue for the public
- Cllr. Sloan added that there were a lot of savings relating to highways which cumulatively added up to a lot of money and perhaps the two relevant Cabinet Members, Cllrs. Davies and McClements, could be invited to a meeting for a wider discussion about the proposals
- Cllr. Dugmore commented that the savings from the withdrawal of funding for borough markets was not great but he was concerned that it could have a high impact and wanted to look at how the impact had been assessed and more information about the consultation going forward.
- Mr Saunders (a co-opted member of the Health & Adult Care Scrutiny Committee) asked if the Cabinet member could attend a meeting to answer questions about the Public Health budget, if possible at the same meeting as the adult care budget, and he would email any specific issues to the scrutiny committee after the meeting.

- The Scrutiny Group Specialist informed members that the Health & Adult Care Scrutiny Committee had already identified a number of issues on the adult care budget. A list of the issues was tabled and members were asked to email the scrutiny team if they had any further questions. The questions would be sent to Cllr. A England and officers to address at the next meeting.

At the end of the discussion the Chair summed that the Cabinet members who would be invited to attend meetings were: Cllr. A England (adult care), Cllr. Clare (libraries), Cllr. Watling (schools transport policy) and Cllr. Overton (public health). Written responses would be requested on LED street lights, highways maintenance and borough markets. The scrutiny team would make arrangements and confirm details depending on the availability of the required Cabinet Members and officers. The Chair advised members to email any other questions to the scrutiny team.

The Chair apologised that she had a double-booking for the evening of 2 February and the committee agreed to move the meeting to 3 February although it was noted that there was a Planning Committee on the same evening which may affect Cllr. Dugmore's attendance. Cllr. Bentley gave his apologies for the meeting on 13 January as he would be speaking at the Planning Committee on that evening.

The meeting ended at 7.10pm.

Chairman:

Date:

FINANCE & ENTERPRISE SCRUTINY COMMITTEE

**Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on
Wednesday, 13 January 2016 at 6.00pm in Meeting Room G3/4,
Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

PRESENT: Councillors S A W Reynolds (Chair), R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

ALSO PRESENT: Cllrs. A Burford, V Fletcher and T Nelson (part) for item 4 (a); Cllr L Clare, Cabinet Member for Leisure Services & Culture; Cllr A England, Cabinet Member for Adult Social Care; A Astley, Assistant Director Neighbourhood & Customer Services; C Jones, Director of Children's and Adult Services; R Smith, Assistant Director Adult Social Services; P Taylor Director Care, Health & Wellbeing.

IN ATTENDANCE: S Jones, Scrutiny Officer.

FESC-05 MINUTES

As the minutes were not available this item was deferred until the next meeting.

FESC-06 APOLOGIES FOR ABSENCE

Cllrs. S Bentley, S Burrell and N Dugmore

FESC-07 DECLARATIONS OF INTEREST

Cllr. Evans declared a potential pecuniary interest in item 4 (a), the budget proposals for adult care, and left the room.

FESC-08 SERVICE & FINANCIAL PLANNING STRATEGY 2016/17 – 2017/18 (DRAFT BUDGET PROPOSALS)

Agenda item 4 (a) Adult Social Care Services

Attending for this item were Cllr A England, Cabinet Member for Adult Social Care; C Jones, Director of Children's and Adult Services; R Smith, Assistant Director Adult Social Services; P Taylor Director Care, Health & Wellbeing.

The Chair welcomed everyone to the second budget scrutiny meeting and congratulated Clive Jones on his appointment as Director of Children's and Adult Services. Members of the Health & Adult Care Scrutiny Committee had been invited to take part in the discussion about the adult care budget. The significance of the adult care budget made this a key issue for scrutiny. A list of questions identified previously by members had been sent to the Cabinet member and officers to address in a presentation and the Chair invited the Cabinet member and officers to present the information.

The Director of Care, Health & Wellbeing (CHW) opened by saying it was appropriate for the Assistant Director Adult Social Services (AD) to deliver the presentation as he was responsible for the purchasing budget which accounted for the majority of spending in adult care. Only a relatively small proportion was spent on providing in house direct care. The AD was supported by commissioners to ensure the appropriate care was purchased at the best price.

The Cabinet member remarked that his role was to support and enable officers to 'fund change'. The resources were no longer available to fund care in the traditional way and there needed to be a shift towards individuals taking more responsibility for their own care. Key priorities were preventing avoidable hospital admissions and quicker discharge from hospital. Keeping people at home longer was better for the person, and cheaper, and underpinned the strategy.

The AD gave a Powerpoint presentation to address issues raised by members which included the following information:

1. An overview of the principles of the new operating model

The new model was about moving from a managed service to a Direct Payments model where people take more responsibility for organising their own care. Since December the workforce had been refocused and the assessment and support planning roles had been separated out. Social Workers would still be responsible for ensuring providing statutory services such as mental capacity assessments, determining eligibility and safeguarding adults but a Support Planning team had been created to work with individuals and families to find alternative solutions outside the traditional care model. The aim was to maximise individual resilience. The old model was a deficit model (focussed on what people cannot do) and the new model was about focussing on people's strengths, building on the strengths and building the support role of families and communities.

The new model would operate on a geographical locality basis with local communities. In the past, people had come into the service too late when they were in crisis and needing expensive care packages which were not person centred. Now, the idea was to work with people and communities much earlier in their journey.

The new model was underpinned by the financial position. The existing managed service, based on a set of contracts with suppliers, was no longer sustainable and they were looking at how to maximise financial resources and personal budgets based around the Direct Payments model. Previously, the authority had taken a commissioning role but now the thinking was around how the authority could facilitate people to buy their own care. Information gives people power and control, and work had been done with partners around the development of an information/guidance approach.

A provider, My Choice, had been commissioned to deliver an advice and guidance service to replace the existing Access service which is the step before people come into the adult care service. There would be a single point of contact with professional advice behind it. The Director (CHW) explained that My Choice was not

a new provider but a co-operative of existing providers which included Age Concern, the Alzheimer's Society and Citizens' Advice.

Feedback from users had been that they did not want to be passed from one organisation to another – for example between social services, the NHS, voluntary organisations – and the new model had been designed to help people navigate the system. TICAT (Telford Integrated community Assessment Team) had been set up based in House 5 at Princess Royal Hospital in partnership with the Community Trust and Red Cross to help people avoid hospital admission and to provide an integrated model of discharge.

There were three Locality teams under 2 Team Leaders working with local people, community groups and partners – e.g. GPs, faith groups – to reach out to people where they congregate. The teams included: Occupational Therapy to help people stay independent, Safeguarding and Mental Capacity team to protect vulnerable adults, the Support Planning team mentioned earlier created around Direct Payments and the Financial Care Management team to ensure people are supported to contribute or pay for their service.

A flowchart mapping points of access and journeys through the system (Target Operating Model) was shown.

2. Savings

The budget proposed an extra £1.6m for services for vulnerable people over what was in the current budget. However, in the context of the overall grant reduction spending at current levels could not carry on and there was a need to make savings.

Cllr. Wright asked if the £1.6m included the money that would be raised by a 2% increase in Council Tax for the adult care precept. The Finance Manager clarified that the £1.6m would be on top of the budget after the adult care precept had been used to off-set the £5.5m pressures built into the budget. The Director CHW commented that the cost of care would increase for example as a result of the introduction of the living wage and Cllr. England said that the living wage would be phased in so if the 2% adult care precept was levied year on year it would support demand. The Director CHW said the government had also announced that there would be improved funding from the Better Care Fund (BCF) from 2017/18 and that some of the money currently channelled through the NHS would come straight to the local authority.

Cllr. Fletcher asked what the current position was on negotiations with the NHS and how the authority would be working with them to negotiate on BCF funding issues. The Director CHW replied that they were working with the CCG and the BCF this year had been used to support the avoidance of hospital admissions and early discharge but this was not new money and was from the existing health budget so it was only useful if the health cost reduces. Cllr. England said that 3 years ago the relationship with the CCG had been strained with the negotiations over the Continuing Health Care funding (CHC) but it had improved dramatically over the last 6 months. The organisations were able to talk to each other and as a result they were likely to get better outcomes.

There were challenging financial circumstances. The authority has a statutory responsibility to meet assessed needs and money cannot be taken into account so there was a need to look at how to get better outcomes for less money. Cllr. Nelson asked how trends in potential needs which are not static – for example dementia or diabetes rates - were projected into the budget. The AD replied that Telford and Wrekin has one of the fastest growing aging populations in the country so there would be an increase in need but that did not mean there would be an increase of existing service provision. The new model projected a 20% reduction in demand for residential care, reduced demand for nursing care, shorter stays in hospital and the principle was that home is best. The need will be there, but that did not mean more of the same services.

Ongoing savings of £8.1m were needed. If the current direction of travel continued, the authority would be buying less residential care and it was important for providers in the market to be aware of this. The Council would employ fewer staff as people are encouraged to manage their own care provision through Direct Payments and the infrastructure would reflect that.

Cllr. Fletcher noted that the Council was aiming for a 60% Direct Payment target and wanted to know how people would be supported and what safeguards there would be to ensure that the care people procure is safe, good quality and meet their needs. The Director said that quality assurance would be covered later in the presentation. The AD said a transition period was needed to develop support arrangements for people on Direct Payments. The Council would make it simpler for people to develop a career as a PA (Personal Assistant) to increase availability of the workforce. There were already PAs in the benefit system in receipt of attendance allowance but they were not coming into the social care world and the intention was to make it easier for them to move in so it would be easier for people to buy PA support. There was a need to prioritise hospital admission avoidance and discharge; people become dependent very quickly once they are admitted to hospital and there was a need to get people home as soon as possible. Safeguarding would continue be the priority and the Council would always continue to purchase for some people but on a reducing basis.

Regarding CHC funding it was reasonable to assume an increase of £1m which would bring Telford and Wrekin in line with average spend. The reduction of the purchasing budget required a 10% reduction in demand and for Direct Payments/PA to become the model of social care. It was deemed reasonable that there would be a reduction in the use of block contracts (beds which are paid for whether they are used or not) to maximise money available for Direct Payments.

Cllr. Wright asked about the implications for savings on block contracts. The AD said there were implications for staff. They had looked at what was a reasonable workload for one person and the restructure was based on one person carrying out one review and one assessment per day. Cllr. England added that the work may not be done by qualified Social Workers but would be carried out by very experienced staff overseen by Social Workers and he was comfortable with this as this was not a new approach and reflected current practice. The AD continued that the community needed to play a bigger role in supporting vulnerable people at home and this was

the expectation of the authority. The Council would do more to help people employ PAs and to recruit more Shared Lives carers for living or respite care. They would work more effectively with health and housing services which are integral to keeping people at home, rather than seeing them as separate services. A key piece of work was to talk to people and make sure they were aware of the changes that were being made.

3. Locality Working Project (LWP)

The locality approach had been piloted in South Telford. Slides were shown, but not discussed in detail, providing details of outcomes from the project including savings and cost avoidance. The key message was that the model was working in terms of outcomes and savings. The model had been fully staffed since mid-December 2015. The second tranche of officers had just completed the training – it was not an easy or straightforward role – and staff go through an accredited process. During the induction period each officer would be allocated one case per week and Support Planners then work on 3 support plans per week. The team will be ‘hands-off’ – the Support Planners will have the conversations with the person about things that could be done to make things easier for them. The delivery of Direct Payments (to support people to manage their direct payments and deal with employment and NI issues) would transfer to a User Led Organisation. A tender process for a ULO was already underway with a view to starting the service on 1 February.

The restructure of the Senior Management Team (SMT) was underway and would bring housing, cohesion and adult social care together to provide access to a wider range of services through the support planning model. However, it was recognised that the Council could not do everything on its own and communities would need to do more to support vulnerable adults to ensure care is provided in the ‘Right Place, Right Time’. Service users, carers and the community had been involved in developing the model. There was a positive relationship with the CCG and a joint local authority / health resilience framework had been developed to support the model as it was in the interests of NHS partners to keep people healthy.

4. Direct Payments

The number of Direct Payment (DP) clients had increased to 24% by the latest figures. The target was to increase to 30% by the end of February and to sustain an increase to 60% over the longer term supported by the ULO. The Director (CHW) said that the national experience was that where a ULO had been put in place, uptake of DP had increased. The AD continued, people learn from other people and the authority would make it easier for people to employ a PA or to become a self-employed PA which would also be good for employment.

Cllr. Burford asked if the ULO would become the employer and the AD replied that they would not.

Cllr. Burford wanted to know if a user was unhappy with their PA if it would be down to them to make the change. The AD acknowledged that it could be a difficult conversation, especially if they have a relationship or the PA was a family member,

and the authority would not step back but would stay involved to help the user broker the conversation.

Cllr. Burford commented that if the PA was someone that the user knows or a family member and they were dependent on the ULO to find an alternative there would still be a role for the authority and the AD assured him that under the guidelines there was still a role for the local authority and they would not step back. The Transforming Care Programme was underpinned by personal budgets and personal health budgets. The model would also support people's housing needs including provision of Extra Care housing and contracts would be reorganised so that people could move their care provision with them. There would be a decommissioning of some of the residential services for adults with learning disabilities (ALD) and there had already been success in moving to community support with direct tenancies.

5. Budget monitoring

Budget monitoring was a standing item on Leadership Team meeting agendas (AD, Service Delivery Managers and Team Leaders). There were formal monthly meetings with the Managing Director, Director and Cabinet member who challenge performance on savings. There is monitoring of the cost of care packages around personal budgets and DP.

6. Quality assurance

The Council has no role in quality assuring services or PAs that individuals purchase directly with their direct payment and it is their personal choice as to what they buy, However the Council advises that they should DBS check prospective PAs. Although the authority does not have a QA responsibility, it is still has a statutory duty for safeguarding. The purpose of DP is to enable people to exercise personal choice. If a person does not have capacity the authority would be more involved. Most of the services contracted through the Brokerage service are care providers governed by the regulatory bodies the Care Quality Commission or Ofsted who are responsible for inspections and standards. Cllr. England added that there would still be annual assessments for users of the DP / PA model which would enable the authority to keep on top of the situation and the Director (CHW) clarified that the authority had a statutory duty to carry out at least annual review and there would be more where the circumstances warranted. The duty was the same for people on DP as in residential care.

Cllr. Fletcher asked if the authority ever did spot checks on providers and the Director replied that the annual reviews were spot checks but they would not include quality checks on providers which is the responsibility of the CQC. The authority does have its own QA officers and if there were concerns about a specific provider they would be discussed with the CQC but the Quality Officers would carry out a spot check. This would not be the same for DP but if a concern was expressed there would be a safeguarding investigation. The AD added that there were bimonthly meetings with the CQC.

7. The Care Market

A Market Position Statement is produced by the Council and refreshed annually. This captures all market data and trends. There is regular monthly liaison with SPIC (Shropshire Partners in Care) which can be challenging. Providers who had reported that they were struggling were being supported by officers looking at their business models and supporting them to change. There was a 'provider failure plan' in place to enable the Council to assess and jointly manage any planned or unplanned closures in the event of a provider becoming unsustainable. The introduction of the national living wage may impact on providers and the financial pressures had been modelled. The amount raised from the 2% adult care precept would not be enough to meet the difference. The Director (CHW) said that Directors of Adult Services were lobbying government about the precept because it favoured affluent areas with higher property values/banding and areas like Telford and Wrekin with more properties in lower bands were penalised by the approach.

Cllr. Fletcher clarified her understanding that the adult care precept was based on the Council Tax banding principle and the Director (CHW) confirmed that it was linked to banding. The Director of Children's and Adult Services (CAS) said that the government had recognised the issue and aimed to address it with the increase in Better Care Funding from 2017/18. There had been consultation with SPIC (Shropshire Partners in Care) including formal consultation as part of the budget process, and the authority was doing all it could to work with SPIC to help save money. Providers had been challenged to think creatively about how care could be provided in a different way and the Council could support changes through the Invest to Save money. The AD said that they were working as partners so there was a joint understanding of each other's needs.

8. Review of CHC cases

An independent body had been commissioned to review the cases of CHC funding which had been challenged by the Council (originally 49 cases, now fewer). An initial meeting had been held to agree specific guidelines and kick start the process. There would be weekly telephone conferences from 19 January to check progress and the review was scheduled to take about 2 months. Complaints would be directed to the Senior Commissioning Manager at the CCG and a named Manager in Adult Social Care. There had been an improvement in the number of cases funded by CHC but not at the pace that the Council would like to see.

9. Transforming Care Partnership

Following the exposure of abuse at Winterbourne View, authorities had been given a new responsibility to establish a Transforming Care Partnership (TCP) on a prescribed footprint with a requirement to develop community services and reduce inpatient facilities for adults with learning disabilities (ALD). The Council had already started to review its ALD strategy and the good news was that the local model was in line with the new national requirements. Locally there were not many ALD in residential care – less than 10 – compared to larger authorities with much higher numbers – Nottinghamshire for example was thought to have around 190. It was thought that this was possibly due to having better community provision historically.

The new national model 'Building the Right Support' set out the expectation that local authorities would work with NHS partners to reduce inpatient beds. The draft plan needed to be in place by 8 February to submit for Quality Assurance and the final plan agreed by 11 April with a 3 year implementation plan showing how the number of ALD inpatient facilities would be reduced. The cost implications were being looked at with the CCG. Historically people coming out of hospital become the responsibility of the local authority and a there would need to be agreement on on-going funding arrangements and a transfer of funding from the NHS to community services including the local authority. So-called 'dowry' payments were being discussed nationally and it was not clear how they would work but it was understood that the NHS would continue to fund care for people over the lifetime if they were in hospital but would not pick up any new cases.

A Board had been established with Shropshire Council and the CCGs for Telford and Wrekin and Shropshire. Telford & Wrekin's Director of Adult Social Services had been agreed as the Senior Responsible Officer (SRO) in November and after his retirement the AD for Adult Social Care would assume this responsibility. It was considered important for Telford & Wrekin to take a lead role and not be 'done to'. The strategy affected a low number of people but with high costs and they would stay on top of the numbers. Reports would be made to Policy Review.

Cllr. Sloan referred to the cost implications and welcomed the Cabinet Member's comments on the improved relationship with the CCG but noted that historically there had been issues with transfers of funding. NHS budgets were challenging and he asked if there could be another battle over the transfer of funding for high cost ALD care. The Director (CHW) said this was a good point but one of the requirements for TCPs was that CCGs and Specialist Commissioning (which commission services on a regional or national basis) and Social Care authorities had to demonstrate what they spend on ALD and there was an opportunity to demonstrate through the new process that the NHS needs to fund the higher costs of ALD. £15m of the £34m budget for special needs was spent on ALD so the authority was putting in a significant amount of money. There had been a suggestion that budgets are aligned as part of the drive towards the integration of health and care budgets.

10. Service Sustainability

Adult social care had been long highlighted as a budget pressure. This was a national issue. Telford & Wrekin had been successful in managing demand, unit costs and reducing residential and nursing care placements but the scale of the challenge should not be underestimated. Cllr. England said that the last 2-3 years had seen a massive reorganisation of the organisation and he had been impressed by the way officers had adapted to change. Their approach to cuts had not been to say that they were impossible to manage but to say 'how can we manage them?'. He felt that the work the AD had done with the team with the community was good. Outcomes were meeting the cuts in funding without noticeably damaging services to the community and in some cases improving them. There would be a Peer Reviewed in May 2016.

The Chair said the funding reductions had continued but she felt that there was more positivity now compared to 5 years ago and she welcomed the way officers were dealing with the cuts but remained concerned about safeguarding. The AD said they could concentrate on the £10m that needed to be saved but rather they concentrated on what they have to spend - £40m net, £52m gross – which you could do a lot with.

There was also a need to get the message out to Council Tax payers to explain the 2% increase for the adult care precept.

The following points were made at the end of the presentation:

- Cllr. Smith said there were a lot of acronyms in the presentation and in future it would be useful to avoid using them or to have a glossary of terms.
- An electronic copy of the presentation would be circulated to Members
- A written response would be provided to additional questions received from Cllr. Dugmore who had been unable to attend the meeting.

Cllr. England and officers left the meeting and Cllr. Evans re-joined the meeting for the next item.

Agenda item 4 (b) Other elements of the budget proposals

Attending for this item were Cllr. Liz Clare, Cabinet Member for Leisure Services & Culture and Angie Astley, Assistant Director Neighbourhood & Customer Services.

The Chair welcomed Cllr. Clare and the AD to the meeting to address issues raised by the Committee on 6 January. The AD gave a Powerpoint presentation making the following points:

1. Libraries

- The proposed savings for library services would be taken in the second year of the savings programme (i.e. from 2017/18) to allow time to consult with partners on the future of the libraries.
- The current proposals were to have no Council run libraries from 2017/18 in Madeley, Newport, Stirchley, Donnington, Hadley and Dawley; the closure of the mobile library service; to reduce the book fund (for books and e-books) by 50%; to reduce resources in the library Development and Management team.
- However the AD reflected that nobody wanted to put forward the proposals but the budget cuts meant there was little alternative. The proposals were for discussion and there would be 16 months to explore with Town and Parish Councils and other partners the potential for other organisations to carry on the provision of a library offer.
- The proposals would deliver around £565k of savings (minus £25k for potential voids if building were left empty which had not been built into the consultation

document so that the operational running costs were clear). A breakdown of savings was provided for each proposal and library, including staff and building running costs (utilities, business rates etc.) but excluding the cost of licenses for technology. The amount of savings are also dependent on opening hours which varied – some were open full time and some only open 16 hours a week. The libraries in Madeley and Newport provide a First Point service (as satellites to Southwater 1) for the local community to access council services which meant the costs were commensurately higher.

- The withdrawal of the mobile library service would save around £40.5k per year from staff costs (£20k) and vehicle/leasing costs (£20k). The vehicle lease cost £11k per year and was due to expire in March 2018 after when the Council would own the vehicle. The route for the mobile library had been established three years ago after consulting with Parish Councils. The mobile library served residential homes and nursery schools on a rota basis and targeted particular customers. Officers had become aware that further review was needed but it made sense to wait until savings targets were clearer. Ms. Mason-Morris asked how the visitor numbers for the mobile library (p.102 of the budget report) had been arrived at. The AD explained that every time someone went into the library it was noted and the numbers had been averaged out over a 12 month period. The number of visitors varied from week to week but detailed records were kept and could be provided to the committee if members wished to see them. The visitor numbers showed that some stops were not viable. Cllr. Clare added that some visitors popped in because they knew the librarian but that did not make the service cost effective.
- The proposal for Wellington was to reduce the amount of space occupied by the library to expand the fitness centre to generate an extra £80k per year. The library would remain but on a smaller footprint. The area that would be affected was the lower ground floor housing the reference and archive sections. Work was being done to explore where this part of the library could be relocated to make space for the gym. Cllr. Wright commented that Wellington library was quite spacious, and the AD said that the fittings were the latest (other than Southwater 1) and the shelving was moveable so the reconfiguration was feasible. Cllr. Clare said that it was worth doing for the amount of additional income that would be generated.
- Libraries are a statutory service and the Council would continue to run the libraries at Southwater, Oakengates and Wellington.
- Members were given assurance that the consultation process on the libraries would be robust to mitigate the risk of judicial review which had happened in some other authority areas. The present consultation (on the draft budget) was the first stage and had put the proposals out to the public and other key stakeholders but there would be a round of specific consultation on the libraries in the spring. Conversations were already on going with Town and Parish Councils and it was early days but there had been a good response. Cllr. Clare said it was important to engage Town and Parish Councils now when they were setting their precepts and could build into their plans, for example, the AD had been to Donnington to talk through the options and financial implications and been well

received. The AD confirmed that all 6 Town and Parish Councils (with affected libraries) had been contacted and the Principal of HLC had been contacted about Hadley library which was mainly a school library with a small public library so conversations were already going on. Cllr. Clare said she was proud that the Council had continued to invest in the service and assured members that they would do everything possible not to fall foul of the requirements for proper consultation and would do all they could to keep the library offer in place working in partnership with others.

- The AD tabled a spread sheet with details of usage, visitors, First Point enquiries, number of computers, opening hours (staffed and non-staffed), premises and costs, staffing costs, staffing hours, income and total costs for each library. The spread sheet would be posted on the website to provide details for the public and interested parties and in response to FOI requests. Cllr. Reynolds said the libraries were used for computer access for example people looking for work and they needed somewhere to go. The AD said she would welcome Members' ideas of any useful information to add to the spreadsheet and Cllr. Clare said any ideas were welcome. The AD said the spread sheet would provide more information for anyone who may be interested in taking over one of the libraries to think about different models. For example, they may want to use their own cleaners, or look at opportunities for sharing space and resources as had happened at Stirchley where the library had been co-located with the Parish Council and they had saved money by reducing staffed hours to 16 but offering a self-service system overseen but Parish Council staff at other times. Donnington was a good example where there were opportunities to consider co-location with the community centre / Lifelong Learning Centre. Madeley and Newport were more challenging as they were standalone buildings. At Dawley there could be opportunities to co-locate with the Town Council. Co-location could be key to the future of the libraries.

At the end of the presentation Members raised a number of points:

- Cllr. Smith said he could see the reasons for making the proposals because of the budget cuts but he was a school governor and was concerned that the service was being taken away when they were trying to encourage young people to read. He would be interested to hear how the discussions with the Principal of HLC go and how young people can be encouraged to read and get away from screens.
- Cllr. Sloan made a number of points:
 - Alternative models had been developed around the country which it would be interesting to explore including voluntary models
 - He had been interested in the effect when the story broke in the press and the complaints about the closure of Madeley Library even though it was not open full-time and he questioned if the Council had been guilty of providing a 'roll-royce' service in the past when moving forward it could only be what was affordable
 - He asked if the alternative models with the Town and Parish Councils were successful, how would this affect the book fund

- The mobile library route included some stops which were not used but Admaston has its own library and volunteers that take library books out to people and he felt more could be made of volunteering
- He would find it hard to believe if the Parish could not come up with the £11k for Hadley library. The costs were for staffing and the parish was already making a contribution. The premises were locked in with the PFI contract and could not be changed.

The AD responded that:

- The cost of premises in Hadley had not been built in as a saving because they were part of the PFI contract which could not be changed
 - The 50% saving in the book fund was based on the assumption that the Council would not be running the 6 libraries but there was also a pot of funding which could be used to help organisations in the take over phase which could be used to stock books / ebooks. Public gifting of books also needed to be looked at.
 - There were now 94 volunteers who deliver books to people at home and if the mobile service closed the volunteers could possibly visit mobile library users at home. Volunteer schemes operate from 6 libraries in partnership with the voluntary sector and Town and Parish Councils and they would need to look at how volunteers could be secured and supported.
- Mr. Williams asked is the number of reported visitors was an estimate or an actual number. The AD explained that visitor numbers are monitored but it can be difficult to monitor visitors who come into the library to read a newspaper but who don't borrow a book or have any interaction with staff. The numbers reported are known visitors (e.g. borrowers, computer users, someone making an enquiry) and are a good estimate of visitors. There may be some visitors who are not picked up but staff have a good idea about who comes through the door. Cllr. Clare explained that visits are recoded where the person has borrowed a book or visited First Point or accessed a service through the library and the AD added that the data may not capture people who come in for a warm. Cllr. Clare said she had been worried about the computers in the libraries being used by people living outside the borough but had been assured that a TLC card was required to use the computers.
 - Mr. Williams asked if the cost savings for the mobile library include driver costs and the AD confirmed that they did. Mr. Williams suggested that they could save by getting a volunteer driver and the AD said this was possible but there were certain license requirements and the driver also issued books.
 - Cllr. Wright asked what would happen to the vehicle when the lease expires in 2018. The AD said the options were to sell the vehicle as an asset and reinvest the capital receipt or to use it for something else. One idea was to redesign the vehicle and use it as a mobile First Point so people who can't or don't access council services online could be shown how to do it as part of the Council's 'channel shift' approach to help save money.

When there were no further questions Cllr. Clare left the meeting.

2. LED Lighting

Members had questioned return on investment of the LED replacement programme and making the capital investment when old bulbs were still working. The AD responded with the following points:

- A full Invest to Save business case had been worked up which showed that LED would deliver substantial savings on energy and maintenance costs. LED bulbs last longer and are lower maintenance.
- Other councils which had invested in LED had seen a 50-60% saving on energy bills
- The Council spent £1.3m on energy for street lights. By year three of a three year contract LED was projected to deliver an annual on-going saving of £0.5m. LED lights had already been installed in a part of the borough and were delivering savings.

Members raised a number of points:

- Cllr. Wright said Cllr. Dugmore's concern had been about the capital investment in the programme. The AD said the investment was £5.2m over 12 years but there would be a major return. An Invest to Save business case had been modelled and a copy could be sent to Cllr. Dugmore and Members asked if this could be shared with all members of the committee.
- Cllr. Smith remarked that a lot of the columns were at the end of their life and the AD said that the condition of many of the concrete columns was deteriorating and the old bulbs were not very bright.
- Mr. Williams said he appreciated the need to make savings but gave an example of a footpath on Wombridge Road where the new LED lights had been installed and were not as bright or had the same spread as the old ones and asked if savings were being made at the detriment of public safety. The AD said she had not heard of this problem before because the LED lights were fitted with deflectors to spread the light and where they had been installed most of the complaints were that the lights were too bright. The advantage of LED is that brightness could be adjusted up or down and the AD said that she would ask someone to look into this individual case. Cllr. Smith said that complaints about the brightness of lights on Gibbons Road had been resolved by an adjustment.
- Cllr. Wright asked if consideration had been given to switching off traffic lights at night. The AD replied that there were health and safety issues and the Customer, Community & Partnership Scrutiny Committee had reviewed the removal or use of part-time signals and had recommended that signals were not switched off. There were only four roundabouts in the borough with Council managed signals. Cllr. Wright was surprised but the AD clarified that the lights at the M54 junctions were installed and managed by Highways England not the

Council, and that they paid the bill. She said they had done a quiz at a public meeting and at the Scrutiny Committee meeting to test people's perceptions about the number of traffic lights in the borough and an on-line quiz may be a way of raising public awareness.

3. Removal of colour printing

Members were concerned about the proposal to remove the option of colour printing when it may be necessary e.g. for planning documents. The AD explained that the proposal was to turn off the colour printing option on 98% of the Council's printers but services such as planning or architectural services would retain the ability to print in colour when necessary. The print service does most of the colour printing and this would be also be a reminder to staff to use the print service because it was more cost effective than using the printers in service areas.

Cllr. Sloan said he remained to be convinced that any colour printing other than for planning needed to be done.

4. Other issues discussed

Cllr. Evans expressed concern about the proposed increase in burial costs for people who cannot afford them. The AD said that people would still have a choice. The Council offers a statutory minimum burial service for £55 for people who cannot afford to pay more. Cllr. Wright said it was cheaper to have a cremation in Shrewsbury than a burial and the AD said that the Council looked after burials bit not cremations and it remained cheaper to be buried in Telford.

Ms. Mason Morris said that the Equality Impact Assessment on burials left a lot to be desired as there would be implications for people of different ages, disability etc. and the AD said that she would ask for this to be revisited.

Cllr. Sloan said there was an issue in that the town was running out of burial space and the AD said that they were looking at plots of land to expand.

Cllr. Sloan said he had suggested the committee look at the impact of the proposals for the community centres, but the issue for him was more of a general point about whether a geographic impact assessment of the cumulative budget cuts had been carried out to see if there are any areas which are particularly affected, and how services were joining up to consult on proposals to that opportunities to join up with partners or co-locate services – such as community centres and libraries – were not lost. The AD said this was a good point and there were opportunities for example in Donnington to bring the library and community centre together and she was already in contact with the Community Participation Manager about this.

A written response to a question about savings proposal 48 (reactive highways maintenance) was tabled.

When there were no further questions the Chair thanked the AD and she left the meeting.

The Chair invited members to put forward any other issues they would like to raise as part of the budget scrutiny.

Cllr. Evans requested information about:

- The smoking cessation budget (proposal 169)
- The evidence base for changes to the drug and alcohol service (proposal 171)
- The reduction in senior management impacting on capacity to maintain services safely (proposal 106). This was supported by other members including Mr. Williams who wanted to know why the number of Cabinet members had not reduced commensurate with staffing reductions.
- Changes to staff terms and conditions (proposal 102). The proposal refers to a letter to the Unions setting out the proposed changes and Members have a responsibility to know about proposals that will impact on staff.
- Restructuring process – many of the staff savings relate to not filling vacant posts. Have restructures been driven by staff leaving the organisation or by designing the structure needed to deliver the organisations' vision.

Mr. Williams wanted to look at Single Status. He wanted to know how the amount set aside for Single Status had kept up with changing staff numbers and if there was still enough in the pot.

It was agreed that the Managing Director would be invited to the meeting on 3 February to address the issues related to restructuring and any others that could be covered at the same time otherwise written responses would be requested.

The meeting ended at 8.15pm.

Chairman:

Date:

FINANCE & ENTERPRISE SCRUTINY COMMITTEE**Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Tuesday, 19 January 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

PRESENT: Councillors S A W Reynolds (Chair), S Bentley, S Burrell, N Dugmore, R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

ALSO PRESENT: Councillors A Eade and A Lawrence.

IN ATTENDANCE: F Bottrill, Scrutiny Group Specialist; S Jones, Scrutiny Officer.

FESC-09 MINUTES

The minutes of the meetings held on the 6th and 13th January 2016 were deferred until the next meeting.

FESC-10 APOLOGIES FOR ABSENCE

None

The Committee noted the apologies submitted by the Council's Chief Financial Officer due to attendance at a public consultation meeting on the budget proposals.

FESC-11 DECLARATIONS OF INTEREST

Cllr. Evans declared an interest as an employee of a care provider contracted by the Council for discussion about the adult care budget.

Cllr. S. Burrell declared an interest as a Director of an Adult Social Care Company.

Cllr. C. Smith declared an interest as a Member of the Board of the Shropshire Pension Fund.

Cllr. Bentley declared an interest as a landlord in relation to any discussions relating to housing business rates.

FESC-12 ALTERNATIVE BUDGET PROPOSALS OF THE MAIN OPPOSITION GROUP

The Chair welcomed everyone to the meeting and asked the members to introduce themselves. The Chair invited the Leader of the Main Opposition Group and Cllr. Lawrence to present the alternative budget proposals and confirmed that questions could be taken during the presentation.

Cllr. Lawrence thanked the Committee for looking at the report and the officers for their support in producing the proposals. He explained that there are limitations on

the extent to which an opposition group can develop budget proposals due to time and resource constraints.

Cllr. Lawrence provided an overview of the alternative budget proposals which included freezing council tax as, in the current fragile economic climate, it was important to retain the 0% increase. However, the Main Opposition group recognised that Adult Social Care is a special case and in previous budgets had supported putting additional funding into adult care and the current proposal supported the inclusion of the proposed 2% increase in Council Tax for the adult care precept.

He explained that the key policy difference between the administration's budget proposals and the Main Opposition's alternative budget was on debt and the opposition group did not support the rapid increase in debt. The increase was illustrated in the graphs on page 4 of the report. It was recognised that some of the debt started when the Main Opposition had been in control. He explained that the more debt that is taken on the more difficult it would be to manage and debt amounts to deferred taxation for Council Tax payers as more of the budget is used to service debt. The current debt approved by Cabinet was £261.6 million which had been used to fund projects such as the solar farm and Nu Place with more projects in the pipeline and was felt to be too high and the Main Opposition group recommended the disposal of assets to reduce the level of debt. There was nothing intrinsically wrong with the projects but the issue was that the Council could not carry this amount of debt. If the Council were a different type of organisation, for example a private company land to sell, it may be different but the model was to borrow and spend on speculative projects. There is a risk issue – the Council is not a private company so is not at risk of insolvency but as it takes on more debt it exposes the Council to greater risk. It was agreed that there was a need to find alternative income streams but the Main Opposition's recommended approach was to 'stick to the knitting' i.e. develop services in areas where the Council has expertise, for example children's services, adult care, ICT, planning or to develop services already traded with schools. The Government had talked about high performing local authorities taking over low performing authorities and there could be opportunities for Telford & Wrekin to take over failing services in other areas or provide services to other organisations – payroll services for example. The approach would be to market services on a national basis to the wider public sector or to private businesses as had happened locally in the past. To kick start this, the proposals included £750k for marketing to break into other areas. It was noted that the proposals presented did not include any income that would be generated.

On Single Status, a percentage of payroll costs had been set aside for a number of years. This had been a sensible approach in the past but the steady reduction in the size of the workforce meant they had calculated that the same level of provision was not needed and some of the money in the pot could be withdrawn and allocated to services. The recommendation was to resolve Single Status over the next 12 months and to use the residual money in the pot to support front line services.

Other proposals included bringing forward the implementation of the living wage, setting aside money to revisit the housing development targets in the Local Plan which were considered too high and a commitment to investment in highways

without increasing debt levels. The objective was to improve highways standards, although further detailed modelling by officers would be required.

Cllr. Lawrence referred to the graph on page 4 of the report which showed the net debt and was concerned that Telford & Wrekin was moving up the graph and the exposure to risk was increasing. The individual risk for each project funded by borrowing was not great – but they added up to a toxic mix. Local government will become more free standing and in the future will not receive Revenue Support Grant which is a share of the national economy and spreads the risk. In future local authorities will generate income linked to the performance of the local economy (for example business rates) which would be susceptible to down turns in the local or national economy. The local government final salary pension will have a growing deficit as pension holders live longer. There is a legal obligation to fund pensions and this will have to continue with a shrinking workforce so the burden will be a greater percentage.

The commercial Property Investment Portfolio as a legacy of the Telford Development Corporation was used to fund liabilities for maintaining open space inherited from TDC but there were concerns about the risks associated with the volatility of the property market which had led to the collapse of investors in commercial property, building societies and banks during the financial crisis. The minutes of the Boards of Northern Rock, Royal Bank of Scotland would show that before the financial crash that their investments were thought to be wonderful but in reality they were bust.

Residential property had historically done well but the Council has no recent experience in residential property development and management and has no experience in solar farms and as the current guaranteed tariffs could end in future these were considered risky investments.

The alternative budget supported the revised approach to the calculation of the Minimum Revenue Provision (MRP) but recognised the risks of implementing the change at the same time as the projects discussed and the impact on the budget over the longer-term. Taking HLC as an example the change in MRP would mean that the Council would be paying interest for 20-30 years when there was nothing left on the lease whereas the lease would have been paid off under the current MRP calculation. There was some accounting logic and Cllr. Lawrence was supportive of the innovative approach but concerned about the impact on future budgets.

The level of debt was a worry. Cheap borrowing on capital markets to invest in commercial property had led to the downfall of institutions such as Northern Rock who had borrowed cheaply and the value of property had fallen. A report before Christmas gave the example of an organisation that had been unable to let properties and the organisation had gone down. The Growth Agenda was the right approach but it was felt the administration was moving into risky areas which the opposition group was not comfortable with. It was difficult find proper external advice on what level of debt the Council could sustain. It was also problematic to measure. The Council has assets on the balance sheet but they cannot be realised to pay off debt, for example school buildings and highways, and there are liabilities in the pension scheme so assets on the balance sheet are weak.

The recommendation going forward was for the Council to take a 'stress testing' approach to the level of debt, similar to the Bank of England, to assess the potential impact of set-backs in the economy such as the recent down turn in China. The report set out some ideas for metrics which could be used to measure the level of debt which had been suggested by the Council's treasury advisors, Arlington Close, for example, debt per property in the council area or debt net revenue. The metrics would help understand the impact of any loss of income. Modelling the impact of a 10% loss of income increased the debt burden to what was considered a worrying level. The amount of current debt per property currently stands at £3,605 but under the savings proposed by the alternative budget this would reduce to £2,610.

The Main Opposition proposed that £1million of the fund set aside for Single Status should be released and that the Council finances would still be comfortable.

Partnering with other authorities would save money and the development of Centres of Excellence within the authority (e.g. land stability at the Gorge and flooding) could be marketed to public bodies to generate income. Children's services was highlighted as an area with potential to provide expertise to failing services in other authorities.

Cllr. Lawrence explained that the main opposition was supportive of the work to reduce youth unemployment but more could be done. An additional investment of £0.5m from the Invest to Save / Capacity Fund pot was proposed to build on this work and to launch an initiative for adults. The extra funding would equate to 78 apprenticeships or a smaller number of adult training roles. 78 apprentices would reduce youth unemployment in the borough by 5%. Rights of way would also have more money.

Regarding education, Cllr. Lawrence said that a weakness in the administration's strategy was that secondary education had not been expanded to match increased demand from demographics and housing development and £0.075m had been proposed for an urgent review of secondary places.

The opposition group supported union membership but not financial support - the £100k subsidised by Council Tax payers to support union membership should be used for other purposes.

There was fundamental disagreement with the Administration's proposals for the closure of libraries which were unnecessary. Other saving could be made so that the cuts were not required. The alternative budget would cancel the closures. The four year grant settlement from government implied that additional savings will need to be identified for future years and the approach would be to work with officers now to identify additional savings and bring them forward to 2016/17 and 2017/18 so that the library closures and an increase in Council Tax were not needed. Balances would be used to allow time for appropriate alternative savings to be identified. In particular the libraries in Newport and Madeley should be retained and alternative models such as a Public Service Mutual would be supported as a vehicle for library service provision. Other opportunities to generate income would be explored for example internet cafes. Devon had developed a good model.

A summary of the model for the next 2 years and the revised savings proposals was set out on pages 15/16 of the report and the figures stacked up. The key proposals would:

- Reduce Debt by £72.2m,
- Reduce the risks the council faces
- Propose a new strategy for incremental income generation.
- Reduce Union Subsidies
- Accelerate implementation of living wage
- Increase the number of Apprentices in the Council by 78 for 1 year
- Better planning for school places
- Review and Revise Shaping places
- Review rights of way
- Reduces the extent of service impacts and reductions

Pages 18-20 of the report set out the Chief Financial Officer's statement of robustness which concluded that the alternative budget for 2016/17 could be considered as robust enough to be viable.

Cllr. Eade commented on the Local Plan and questioned how the housing development target of 15,500 had been arrived at and that the Council's own survey had found 9,940 houses were required in the borough. The higher level of development would not only put a strain on the budget from the infrastructure required to support the development but would require a 40% increase in jobs over the national average for the period of the Local Plan and there were no proposals in the administration budget as to how that would be achieved. The number of secondary schools places was a worry and could not be resolved quickly; money had been invested in primary schools but there was no funding for secondary schools and in fact the funding had been cut. The only way to increase school places was to borrow and Cllr. Eade was concerned about the additional pressure of development on borrowing. The Chinese economy which had been built on debt was in the news and he was concerned about the effect of the economic cycle.

The Chair thanked Cllr. Eade and Cllr. Lawrence for the presentation and opened the floor to questions.

Cllr. R. Sloan said he had some sympathy with the views on Single Status but he would wait for the report to the Audit Committee before coming to a view on the way forward. Four members of the Finance and Enterprise Scrutiny Committee were also on the Audit Committee. On the Living Wage he asked how the figure of £8.10 had been calculated and if it was based on the figure used by government from the Living Wage Foundation of £8.25. Cllr. A. Lawrence replied that the main opposition group would like to go forward with the Living Wage as quickly as possible and officers had helped with modelling different scenarios. The figure was between the existing minimum wage and the Living Wage. Modelling had showed there would be an advantage to staff affected but no additional strain on the budget and he would ask the Administration to consider the proposal. As a better performing Council there are opportunities for Telford & Wrekin and these should be explored.

Referring to the move to local funding, Cllr. Sloan welcomed the Chancellor's announcement about the retention of 100% of business rates by local authorities, but

said that the devil was in the detail and it would not be introduced until 2020 but he imagined that all Councillors would support local authorities standing on their own two feet. Cllr. Lawrence said that the alternative budget had been developed in the context of the move to local funding; money from the government could be seen as 'AAA' rated (i.e. low risk) but as the Council moves to managing on local NDR and was free standing there were greater risks associated with economic downturn and fewer businesses. Cllr. R. Sloan commented that this could also be considered in the context of the discussion regarding Britain's exit from the European Union. Cllr. Eade reflected that the local economy was based on manufacturing which made it more vulnerable to slowdowns.

Cllr. Eade said that Single Status had been going on for some time. It needed to be resolved and he wanted to share thinking. He wondered if the option of buying people's interest out should be considered which would leave more money in the pot for services. He knew that work was going on but that everyone should push to sort it out. He felt the public would not accept keeping £12 million in the pot when services were under pressure and the contingency should be dug into.

Cllr. Sloan said he agreed with the risks around the final salary pension scheme – this was not just an issue for Telford & Wrekin and Shropshire but affected a whole range of people – but the alternative budget had not offered a solution. Cllr. Lawrence compared the situation to personal finances –would you borrow more now to pay off your mortgage when you know you have to pay more into your pension and if interest rates go up you will have limited options for your budget. As the work force reduces the Council will have to fund the pension deficit for people who retired 10 years ago or more with fewer people. The key point was that the Council should be thinking ahead about what the contribution to the pension scheme means. Salaries and pensions have to be paid. A large and growing debt burden with an increase in interest rates would put pressure on the budget and perhaps there should be a cap on the level of debt. The proposed change to the MRP calculation is good now, but together with other things was concerning and future generations will have to carry the debt.

Cllr. Sloan asked if they saw the 7 regional funds as a threat or opportunity. Cllr. Lawrence said they did not change the dynamic. People were not retiring as quickly nowadays and we will need to put more into the pension fund for when they retire and to fund pensions for past employees. It was possible that the pension costs could increase to a colossal 25% of the salary budget.

Cllr. R. Sloan asked if the £500k capacity fund for youth and adult unemployment included the apprenticeship levy. Cllr. Lawrence said the levy had been built into both budgets. The scheme would help young people to gain experience for a year and enter the jobs market with the skills gained during that time.

Cllr. C. Smith asked about the sale of assets. The proposals to sell the solar farm and dispose of the Nu Place properties would reduce the Council's future income. How would the Council replace this income as assets can only be sold once? Cllr. Lawrence replied they would take a different approach by selling services based on the Council's core activities and expertise. The solar farm was good but not in the Council's area of expertise and is funded by debt. If the asset underperforms and

the debt costs increase there is a risk that the Council will lose the profit margin. The Council should de-risk and sell more of what it knows.

Cllr. Smith said the Council was a pioneer in building the solar farm. Cllr. Lawrence replied that Northern Rock Board members may have said the same before the crash.

The Chair said that the solar farm had generated £180k income this year, above the £140k target. She wanted to know what the rationale for selling off income generating assets was, and where they would expect to get income growth. It would be difficult to generate income from the sale of Council services due to lack of capacity within the organisation. Cllr. Eade replied that figures in the alternative budget had come from Cabinet reports and that the tariff for electricity generated by the solar farm could change with new legislation and new technology. Cllr. Lawrence added that it was not the principle of the solar farm that was the problem – but the debt that this created for the Council. Interest rates were low now but they would go up. In the view of the Main Opposition this is not what the Council should be doing – instead the Council should concentrate on offering services where it could offer expertise that would benefit the national economy, bring income into the Council and create local employment at a lower cost base. Telford & Wrekin has better expertise in some areas than other authorities and should not be borrowing more to invest in risky activities. If income generation does not work the only other way to save money would be to reduce the size of the organisation.

Cllr. C. Smith said that the property portfolio of £50 million brought in an income of £5million which in his view was a good return and the Bank of England had indicated the interest rate would not increase this year so where was the risk? Cllr. Lawrence said interest rates would not rise because the economy was so weak and he hoped he was wrong but the opinion of the main opposition group was that a strategy of investment in risky projects was not right. Cllr. Smith relied that the manufacturing base in Telford and Wrekin was higher than in other West Midlands authority areas. Cllr. Lawrence said they would grow activities where the Council had experts and sell services to other authorities. The Chair asked if this meant they did not want to see growth and Cllr. Lawrence said they did but it would be achieved by investing in public sector activities – he said the Council had some very good staff whose skills could be provided to other authorities. Cllr. Bentley said he would support selling off the solar farm because he felt the Council did not have skills in that area but speculated as to who would be interested in taking it over when the big energy companies were not investing in solar and there would be an increase in tariffs. It would cost a lot to dismantle so that was not an option. The Chair said the solar farm would bring in £185k this year and other authorities were looking at going down the same route. Cllr. Dugmore commented it has been sunny in the summer and Cllr. Bentley said he doubted it would have been generating as much energy in the last few months.

Cllr. Dugmore said the Council should focus on what it does best. The solar farm or windmills are a brilliant idea if the money is there to invest in the first place and he had not seen other authorities queueing up to invest in solar farms. He commented on the previous investment in the ice rink which would now reduce its opening times and he questioned if the Council would get its money back from the investment. He

referred to the Chief Finance Officer's comment on page 19 of the report which said that Nu Place, the solar farm and the Property Investment Portfolio represented a small percentage of the total Council budget. Cllr. Dugmore checked his understanding that the alternative budget was proposing the sale of these assets to avoid the future borrowing costs. Cllr. Lawrence said this was correct – they were not large amounts individually but were part of a growing pool of debt. When he had asked officers how the debt could be reduced, the only assets that could be realised were the solar farm, the PIP properties and Nu Place. There was nothing else that could be disposed of to realistically reduce the debt.

Mr Williams asked what figure would be deemed a 'sustainable level' of debt and if it was realistic or an aspiration? Cllr. Lawrence said that the level of debt would depend on the economic climate and interest rates. The worrying trend at the moment was that the level of debt was going up and this had implications for the revenue budget. The % of the debt as a proportion of the revenue budget should be the main metric to manage debt. His own opinion was that the level of debt should be no more than 10% of the revenue budget and he would be comfortable with reducing it by £70 million. This should be reviewed each year depending on the economy.

Mr Williams asked if the interest rate went up, would the priority be to pay down the debt or cut services. Cllr. Lawrence said interest rates tend to be fixed for a term but the problem comes when the term comes to an end and the project needs to be refinanced – this is managed by the Treasury Management team – but the main point was that the level of debt was worryingly high although it would vary from year to year.

C. Mason-Morris asked how viable the stress test metrics were, for example if debt per property was reduced from £3,600 to £2,600 it would reduce again if more houses were built without doing anything to reduce the debt. Cllr. Lawrence said no one had come up with a perfect measure but they had been trying to find indicators which would give a 'feel' for the level of indebtedness and the metrics suggested in the report for stress testing had been suggested by the external treasury advisors.

The Chair said she was still struggling with the ambition of the alternative budget to generate income and selling off income generating assets. She said that private sector developers has not wanted to develop the land used for Nu Place and that the Council would be providing 400 homes which would generate rental income year on year. The properties should only be sold at the right time to maximise the value and now was not the right time. She also questioned the proposals to cut the Growth Fund as this brought business to the Borough. Regarding the proposals for libraries she did not want to lose the libraries and the council would work with others to find an alternative way to continue to provide these services. She asked what the Main Opposition would do once the assets had been sold – there would be a short term gain but how would the continued library service be sustained?

Cllr. A. Lawrence said that savings could be brought forward now to save the libraries. Over the longer term he accepted the need to generate incremental income but the difference in approach was that there should not be further borrowing. Cabinet had already committed to £260 million of borrowing to finance

the capital programme and in the view of the Main Opposition is that level of debt is not sustainable. The Chair responded that the level of Council debt was £130million and Cllr. Lawrence said that the figure of £260 million was what has already been committed by Cabinet.

Cllr. A. Eade noted that the Administration's budget report stated that 'the aim of the review was to close the following libraries. He suggested that Scrutiny should look at this and suggested the Public Service Mutual was a model should be explored and there were good models in York, Devon and Dudley. He said it was important to keep the service intact and not farm it out piecemeal to Town and Parish Councils. Cllr. Lawrence responded to a question from the Chair about long term sustainability of funding for the libraries that they would fund the core service and would look at a public service mutual model. Cllr. Sloan said that the Committee had taken evidence on the library service and had not yet come to a view. This would happen at the final meeting for the Finance and Enterprise Scrutiny Committee in this process. Cllr. Eade said the libraries in Newport and Madeley were well used and would have core funding but they would look at what other authorities had done. He highlighted the need to support the whole library service and suggested looking at the York model.

The Chair said that by highlighting this in the Administration's budget proposals now gave time to work with people to find a solution to ensure that libraries would not close if at all possible. There was some discussion between members about the wording of the libraries proposal in the administration budget.

Cllr. Lawrence said that the point he was trying to make was that, as all administrations do, they would ask officers to work up plans and proposals for savings and income. £750 was enough to put together a plan for the service. Officers were very good at coming up with innovative ideas and they would be asked to do this.

Cllr. S. Burrell said that 15,500 housing target in the Local Plan (although there were no indicative figures in the Service & Financial Strategy) would mean the employment base would need to grow by over 35% over national average employment projections to sustain that level of development. He said that as the housing target had been set as an aspiration, the budget should make sure that measures were in place to back up the required employment growth. If the alternative budget housing target of 9,940 were taken, employment growth of 5-18% over national average projections would be required. Telford & Wrekin had failed to have employment growth of even 12% above the budget should prioritise employment growth alongside aspirations for housing growth. He mentioned this in the context of the reinstatement of the 16+ transport funding in the alternative budget which was the intelligent thing to do to ensure the Council has the means, method and mode for developing a skilled local work force. He failed to see how this could be achieved by the solar farm or Nu Place and if investment has to be made it should be in skills for young people. Neither could he see how the closure of libraries would help, or the lack of investment in schools. He also said that Burton Borough school was projected to be over-subscribed by 2018 as a result of the number of homes that have been built. He could not see a sensible route in the administration's proposals to achieving the 40% above national average employment growth required by the level of housing in the Local Plan. He supported the creation

of a fund to review the provision of secondary school places. Secondary school places had been planned to 2018 but 2020 was approaching.

Cllr. A. Lawrence said that the alternative proposals included investing in highway infrastructure and that by having less housing growth there would be less strain on schools and services and less debt to carry.

The Chair asked now the investment in highways would be funded? Cllr. Lawrence said that this would be worked up with officers but it would not be funded through debt.

Cllr. R. Sloan asked about the approach to partnering with other local authorities and Scrutiny Committee's response to the Main Opposition Budget proposals from the previous year which highlighted that there were no figures or practical examples and the Committee was not convinced that the approach proposed would work, particularly as other authorities were facing the same budget pressures. Cllr. Lawrence said that Capita and other private sector organisation provide millions of pounds worth of services to authorities and other public sector organisations and he thought that Councils would prefer to buy from other local authorities. He gave the example of children's services which are failing and taken over in the same way that a school in special measures is taken over. He said that Telford & Wrekin Council should anticipate this market appearing and build an offer. Telford & Wrekin was a good authority and had services that could be sold. Where services are not so good we could buy from other authorities.

The Chair said that as a small authority the capacity to do this would be limited and there would be geographical restrictions. Cllr. Lawrence said that the difference was that the Main Opposition did not agree with the level of debt and if services were not sold to generate income then the Council would have to down scale.

The Chair said that without precise figures it was difficult to go further with these proposals. She said that if the number of houses was reduced this would also reduce income from Council Tax and New Homes Bonus which would be about £6 million.

Cllr. S. Bentley said he felt the Council had services and expertise that could be sold to other authorities and highlighted the good work of officers on the world Heritage Site and land stability in the Gorge. The Chair said that the Council may have expertise but she was not sure staff had the capacity. Cllr. A. Lawrence said that if the Main Opposition were in control they would have a team to work up these proposals.

Cllr. A. Eade said that this process could be a political bun fight but that they wanted to share the suggestions in the Main Opposition budget proposals and hoped they would be considered. He gave the example of proposals on essential car user allowance made two years ago which were dismissed at the time but had now been included as a savings proposal. If it had been implemented two years ago the Council would be £1million better off. These were genuine suggestions which he would like to work on with scrutiny. In hard times there are risks with borrowing and the right to buy may change the housing market and the committee should not take

their eye off the ball in monitoring borrowing and he hoped scrutiny had ears for listening.

The Chair said that there was good borrowing and bad borrowing. The Council's borrowing was to generate income not to build civic offices.

Cllr. C. Smith said that he agreed with the Prime Minister and Chancellor that it is important to build more houses. He said he did not agree with selling off houses. Many people have bought houses as part of their 'pension' plans. Cllr. Eade said that the feasibility study found that there should be 5,000 fewer homes. Cllr. Smith said that some developers bought land but then did not build houses. Cllr. A. Eade said he would support a punitive tax to prevent land banking.

Cllr. Lawrence said that the level of indebtedness was high for a small organisation. He gave the examples of Iceland and Cyprus who had over borrowed. The Chair said that the level of borrowing was risk assessed and that she was more worried about the Main Opposition's proposals which set out a reserve of £1.2 million. Cllr. Eade replied that the proposals had been signed off as robust by the Chief Finance Officer. Cllr. Lawrence added that if the Main Opposition were in control they would work with officers to find more savings but the resources had not been available for further work.

The Chair thanked Cllrs. A. Eade and A. Lawrence for their presentation and the officers for their support in this process. She said that if Members had other questions after the meeting they could request a written response.

Cllrs. A. Eade and A. Lawrence left the meeting.

FESC- 12 Service & Financial Planning Strategy 2016/17 – 2018/19 (Draft Budget Proposals)

The Chair confirmed the arrangement for the following meeting on the 27th January.

The Scrutiny Officer confirmed a table had been sent to committee members which set out the information that had been requested. She asked for Members to confirm that this reflected the information they wanted. She also confirmed that the Managing Director would attend the Committee meeting on the 3rd February to provide information about the impact of the Senior Management Team cuts, the approach to re-structuring, Single Status and changes to staff terms and conditions, the geographical impact of savings and consultation with partner organisations.

The meeting ended at 7.47pm.

Chairman:

Date:

LICENSING COMMITTEE

**Minutes of a meeting of the Licensing Committee held on Wednesday
9th December 2015 at 6.00 pm at Addenbrooke House, Ironmasters Way, Telford**

PRESENT

Councillors H Rhodes (Chair), M Boylan, I Fletcher, J Francis, M Hosken, C Mason, S J Reynolds, J Seymour and C Smith (substitute for G Cook)

Officers in attendance: A Reah (Building Control Team Leader), E Griffin (Solicitor), T Street (Solicitor) and P Smith (Democratic Services Team Leader)

LC-21 APOLOGIES FOR ABSENCE

Councillor G Cook

LC-22 DECLARATIONS OF INTEREST

None.

LC-23 MINUTES

RESOLVED – that the minutes of the meeting held on 14 October 2015 be confirmed and signed by the Chair.

LC-24 SAFETY OF SPORTS GROUNDS ACT 1975 AND FIRE SAFETY & PLACES OF SPORT ACT 1987 – REGULATED STAND CERTIFICATES FOR AFC TELFORD UTD FOOTBALL STADIUM

Mr L Carter (Managing Director - AFC Telford Utd FC) was present for this item.

The Building Control Team Leader presented a report which provided Members with an update of events since the last meeting on 14 October 2015, when the Committee agreed to issue temporary Regulated Stand Certificates for three specified stands at the AFC Telford Utd Football Stadium, subject to conditions (minute LC-20). A copy of the report considered at the 14 October meeting was appended to the report for information.

The Football Club had been working closely with the Sports Safety Group and Council officers to address the issues that had been identified. The position with regard to the three conditions imposed at the last meeting was that:

- The seating and access in front of the desks on Row K had been removed and a temporary netting barrier installed, so this condition had been complied with;
- A risk assessment of the barriers had been completed and had recommended the testing of a number of barriers. The testing was due to take place on 11 January 2016.

- Work had been done to the vomitory walls which had addressed the original concerns, so this condition had been complied with.

The Council had received confirmation that the new fire alarm system had been ordered. Installation would start on 4 January 2016, with a completion date in late January/early February.

A match day inspection had been carried out by the Sports Safety Group on 20 November 2015, when some safety issues were highlighted. However, it was clarified that the number of loudhailers available at the ground was compliant with the requirements of the independent Fire risk assessment. A further match day inspection on 5 December 2015 found that steps had been taken to remedy outstanding issues such as providing extra keys to ensure that doors were locked, liaising with the adjacent Whitehouse Hotel and further work at the snack bar. A further meeting of the Safety Group was scheduled to take place in January/February when the alarm system work should be completed.

It was recommended that the Regulated Stands Certificates be granted for a further period of 70 days to enable the fire alarm system to be installed and for the barrier testing and any consequent remedial work to be carried out.

Mr L Carter, on behalf of AFC Telford Utd, was invited to address the Committee and answer questions. He stated that the Club had an exemplary safety record over many years. He circulated a pack of information to Members which included the actions taken after the recent inspections, recent event safety briefings and match day inspection reports. All stewards and staff were trained to NVQ Level 2. He also provided further information about the response that had been made to comply with the three conditions attached to the temporary Certificates. In relation to the barriers, none had been identified as in a falling over state but there were some minor defects identified in around 10 barriers within the ground. Load-testing on these barriers would be carried out on 11 January 2016, and any remedial testing required would be done within 28 days of the results being received. With regard to the vomitory walls, a survey had been undertaken and had identified some cracking of cosmetic render which had now been repaired. There were no structural faults. In terms of the fire alarm system, he assured Members that the current system and fire safety measures worked perfectly. The only identified risk was in the event of a major power outage there was a minimal risk that the notification of detection would not work. Notwithstanding this, a replacement system had been ordered and the work was likely to take at least 9 weeks. It had taken a bit of time to sort out the electrical routing etc due to lack of available documentation, and this had delayed the ordering of the alarm system.

During the ensuing discussion, there was some disappointment that not all the identified work had been completed, but, overall, Members were satisfied that the Club had done a lot to address the issues that had been raised, and that there were clear timescales for the remaining work to be completed. Reassurances had been provided that the necessary additional safety measures were in place. A question was asked about whether the Sports Safety Group would be making another site inspection visit within the next 70 days. It was confirmed that they would be, and the Club invited members of the Committee to attend the visit so that they could see for

themselves the work that had been done, and the safety procedures in place for a match-day.

RESOLVED (unanimously) –

- (a) that the Safety Certificate applications for the Regulated Stands be granted for a further period of 70 days from 9 December 2015 to enable the fire alarm system that had been ordered to be installed, and for the barrier testing to be carried out and for rectification of any issues that arise from that testing;**
- (b) that the applications come back to the Committee at a meeting on 4 February 2016, and that a site inspection visit (in conjunction with the Sports Safety Group) be held on 23 January 2016.**

The meeting closed at 6.40pm.

Chairman:

Date:

PERSONNEL COMMITTEE

Minutes of a meeting of the Personnel Committee held on Thursday, 7 January 2016 at 1pm in Meeting Room G2, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PRESENT: Councillors K S Sahota (Chair), S Bentley, S Davies, A J Eade, K R Guy, W L Tomlinson and P R Watling

PEB-1 APOLOGIES FOR ABSENCE

Councillor N A Dugmore

PEB-2 DECLARATIONS OF INTEREST

None.

PEB-3 MINUTES

RESOLVED – that the minutes of the meeting of the Personnel Committee held on 22 January 2015 be confirmed and signed by the Chairman.

PEB-4 EXCLUSION OF PUBLIC AND PRESS

RESOLVED – that the public and press be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

PEB-5 APPOINTMENT OF DIRECTOR: CHILDREN'S & ADULT SERVICES (STATUTORY DIRECTOR OF CHILDREN'S SERVICES) AND DIRECTOR: CUSTOMER, NEIGHBOURHOOD & WELLBEING SERVICES

The Human Resources Manager outlined the recruitment process for the positions of Director: Children's & Adult Services (Statutory Director of Children's Services) and Director: Customer, Neighbourhood & Wellbeing Services and the arrangements for the assessment and interview process. Following advertisement of the posts in accordance with the Council's current procedures, one application had been received for each directorship which had been analyzed against the job requirements and the personal specification. Both candidates had also successfully completed an assessment centre. Details of the applications and the analysis, including the results of assessments were presented to the Committee. The Committee examined all the application documents and conducted the final interviews with the candidates. Following full consideration of all the available information, including the results of assessments, the content of written tests and the performance of the candidates during the interview process, it was

RESOLVED –

- (a) that the post of Director: Children’s & Adult Services (Statutory Director of Children’s Services) be offered to Mr Clive Jones subject to the required consultation with Cabinet;**
- (b) that the post of Director: Customer, Neighbourhood & Wellbeing Services be offered to Mr Jonathan Rowe subject to the required consultation with Cabinet.**

The meeting ended at 3.55 pm

Chair.....

Date.....

PERSONNEL COMMITTEE

**Minutes of a meeting of the Personnel Committee held on
Thursday, 11 February 2016 at 4.30pm in Meeting Room G3/G4,
Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

PRESENT: Councillors K S Sahota (Chair), S Bentley, S Davies,
N A Dugmore, A J Eade, W L Tomlinson and P R Watling

PEB-6 APOLOGIES FOR ABSENCE

Councillors S Bentley and K R Guy.

PEB-7 DECLARATIONS OF INTEREST

None.

PEB-8 MINUTES

RESOLVED – that the minutes of the meeting of the Personnel Committee held on 7 January 2016 be confirmed and signed by the Chairman.

PEB-9 PUBLICATION OF THE COUNCIL'S PAY POLICY STATEMENT

The Human Resources Manager presented the report on the Council's updated Pay Policy Statement for 2016/17 which was required to be published on the Council's website on 1st April 2016 in accordance with the Localism Act 2011.

The Policy remained similar that of to the previous year except that a restructure had recently been completed which reduced the Senior Management Team. Pay negotiations on NJC Terms were ongoing at present and there was currently an offer of 1% rise from 1st April 2016 with a further 1% rise on 1st April 2017 and this offer would take the lowest paid Council employees (over 25 years of age) over the National Living Wage of £7.20 per hour if accepted. Whilst the negotiations continued, the Council had a responsibility to its employees in order to raise their pay to the National Living Wage on 1st April 2016. With this in mind the Council proposed to raise the pay to the National Living Wage for those effected which equated to 9 FTEs (18 staff under 25 years of age). This had been budgeted for within the pay award and would equate to approximately £3000 during 2016/17. Members were asked to agree the Council's Pay Policy Statement.

A discussion took place regarding the Council's Policy and included:

- Single Status
- Returning Officer Fees

RESOLVED –

- (a) the content of the Council's Pay Policy Statement for publication on the Council's website on 1st April 2016 and recommendation to acceptance at Full Council on 3rd March 2016 be agreed;**
- (b) that delegated authority be granted to the Assistant Director: Finance & Human Resources, in consultation with the Leader of the Council, to amend the Statement as necessary in line with any statute or further national guidance that may be issued following the meeting of the Committee or changes to negotiated pay rates during the period of the Policy Statement**
- (c) that the payment of the equivalent of the statutory National Living Wage with effect from 1st April 2016 to all employees, regardless of age, except those employed under an apprentice training contract, if the national pay award is not settled by this date be authorised.**

The meeting ended at 4.46 pm

Chair.....

Date.....

PLANNING COMMITTEE

Minutes of a meeting of the Planning Committee held on Wednesday, 13th January 2016 at 6.00pm in the Telford Suite at Shropshire College Hotel School Ltd (The Telford Whitehouse Hotel), Watling Street, Wellington, Telford TF1 2NJ

PRESENT: Councillors J C Minor (Chair), N A Dugmore, I T W Fletcher,
N C Lowery, P J Scott, M J Smith and C R Turley.

ALSO PRESENT: Councillors S Bentley (for Planning Applications
TWC/2015/0220, TWC/2015/0590 and TWC/2015/0888), Councillor S Reynolds (for
Planning Application TWC/2013/0861) and Councillor J Seymour (for Planning
Application TWC/2015/0888).

PC-072 APOLOGIES FOR ABSENCE

Councillor J Loveridge

PC-073 DECLARATIONS OF INTEREST

With regard to planning applications TWC/2015/0694 Councillor C Turley
advised that he was a member of the Shropshire Hills AONB Partnership Board and
Management Committee.

PC-074 MINUTES

RESOLVED – that the minutes of the meeting of the Planning Committee held
on 16 December 2015 be confirmed and signed by the Chairman.

PC-075 DEFERRED/WITHDRAWN APPLICATIONS

The Development Management Service Delivery Manager reported that there were
no deferred or withdrawn applications.

PC-076 SITE VISITS

There were no Officer recommendations for site visits.

PB-077 TREE PRESERVATION ORDERS

The Arboricultural Officer presented a report on the Tree Preservation Order (TPO)
at Stockton Close, Stirchley.

Members had undertaken a site visit regarding the TPO prior to the meeting.

A selection of photos were displayed at the Meeting which showed views from the
north, west, east and south, along the footpath and from Claverley Drive.

The tree was a prominent feature and formed part of the boundary and was of significant public amenity value worthy of Tree Preservation Order status.

With regards to the points raised by the objectors, the dead wood could be removed without delay and there was no objection to crown thinning and appropriate forms for consent had already been provided .

It was asked that Members approve the Tree Preservation in its current form.

During the discussion Members agreed that the tree was a prominent feature and of significant amenity value. The maintenance of the tree was highlighted but it was noted that the Tree Preservation Order would not restrict this work.

Following the discussion it was unanimously:

RESOLVED – that the Tree Preservation Order, Borough of Telford & Wrekin (Ash Tree within the boundary of 4 and 5 Stockton Close, Stirchley, Telford, TF3 1RR) Tree Preservation Order 2015 be confirmed.

PB-078 PLANNING APPLICATIONS FOR DETERMINATION

Members had received a schedule of planning applications to be determined by the Committee and fully considered each report and the supplementary information tabled at the meeting regarding each planning application.

- (a) TWC/2013/0861 – Sutherland Business & Enterprise College, Gibbons Road, Trench, Telford, Shropshire TF2 7JR

This was an Outline application for the erection of up to 123 dwellings together with open space, sports pitches, landscaping and associated infrastructure, and the demolition of the existing school buildings with all matters reserved. The application site was formerly the Sutherland School/Academy, whose pupils had now moved to the newly opened Telford Priory School which had replaced both Sutherland and Wrockwardine Wood schools. The re-development of the Sutherland site formed part of the Council's overall 'Building Schools for the Future' programme, in terms of generating capital funding for the new School(s). An indicative layout had been submitted in support of the application, showing where vehicular access could be provided, and how the development (including open space and sports pitches) could fit on the site.

This application had been deferred from the previous meeting in order for a site visit. The site visit had taken place prior to this meeting.

An update report was tabled at the meeting.

Cllr Stephen Reynolds spoke on behalf of Cllr Shirley Reynolds, Ward Councillor for Wrockwardine Wood and Trench, who was unable to attend the meeting. As Members would have seen from their site visit, this proposed development was proposed in a settled part of the Borough and it was vital that any development was

sympathetic to the surrounding area and contained affordable housing and bungalows. This was an area of traditional community and housed a high proportion of elderly people. Concerns were raised regarding the positioning of the sports pitches and the lack of changing facilities, toilets and parking. Cllr Reynolds appreciated that this was an application for outline permission only, but asked that this development complemented and revitalised the local community. There was concern regarding 3 storey properties which would be out of character to the area and impact on the privacy on neighbouring properties. The trees at Gibbons Road and the hedge on the western boundary needed to be retained, as well as the buffer zone to protect the Grade II listed building. There needed to be an improved option for the siting of the entrance and the access needed to be looked at carefully due to the daily movement of traffic next to the children's nursery as toddlers and cars were not a good mix and consideration needed to be given to the community as a whole.

Cllr K Hanmer, Parish Councillor for Wrockwardine Wood & Trench, addressed the Members on behalf of Cllr C Smith who was unable to attend the meeting. The Parish Council were not opposed to any development on this site as long as it was in keeping and fit in with the current community. They had 2 objectives which were for the supply of social rented and affordable housing and bungalows which would be in keeping with the local area, and how the Government's affordable housing targets could be reached. Cllr Hanmer raised concerns regarding 3 storey buildings and the land levels on Gibbons Road and that the development must be sympathetic to the existing community and become part of the established settlement. The Parish Council requested that they be included in any consultation as the planning application unfolded.

Mrs L Madeley, Local Resident spoke on behalf of residents and Mrs L Hurcombe, Trench Tots Nursery, who was unable to attend the meeting. There was concern for the plan around the nursery area, the siting of the football pitches and anti-social behaviour. It was hoped that the open green space would be retained in order that the community could enjoy this healthy and peaceful area and the nursery could meet Ofsted recommendations. Safety concerns were raised regarding the proposed access. A more suitable access road would be on the northern edge of the site by the old garages, which would ease concerns raised with regard to the expansion of the nursery and parking issues on Gibbons Road. Residents remained concerned regarding senior football. Junior football was well managed and this gave no concern. They also felt that there was no need for further football pitches on this site.

Mr J Dunn, Applicant, gave a brief background on the application and the proposals. Detailed plans would come forward at a later stage. The red line boundary was drawn to include Trench Lane and Furnace Lane. Sport England had asked that this be included within the school site for development. Trench Lane and Furnace Lane playing fields would not be sold and would remain in the ownership of the Council. The grass playing pitches would replace the tennis courts with a mini pitch being sited at the Furnace Lane Youth Centre. Two further mini pitches had also been requested by Sport England and agreed by Parks and Open Spaces Officers. Discussions had been ongoing with Trench Tots regarding a larger site and the provision of further parking spaces and when the details were at a final stage the nursery could submit a separate planning application. With regard to Green Open

Space and the Green Guarantee, the south west corner of the development site would be delivered by the Developer and this would be maintained by Parks and Open Spaces.

The Planning Officer advised Members that this was an application for Outline Planning Permission with all Matters Reserved. Any reserved matters application would follow the same process as the outline application. The principle of the application was acceptable and was within a sustainable area with a bus services and local facilities. This area was also put forward for development within the Telford and Wrekin Local Plan and was a mainly residential area. Sport England originally objected to the application but this objection was removed once agreement had been reached regarding the sports pitches. It was felt that there were exceptional circumstances and the re-development was negotiated through the BSF Programme which provided new education facilities for the area and the creation of additional mini pitches and open spaces under the Green Guarantee. Financial contributions had been secured for new play facilities. The application was not considered viable to provide affordable housing. An update report had been tabled that addressed some of the concerns. The ball court would not be sited next to the nursery. The design and appearance of the development was not for consideration at this meeting and would be considered as part of the next process.

A discussion took place and although members concurred this was a good site for development as it was on brownfield land they raised concerns regarding the access, the size of the dwellings and senior football. Further concerns were raised regarding the lack of affordable housing on the site and a discussion took place regarding the viability assessment. Members agreed that the site would be suitable for development but asked officers to take on board the concerns of the public when any reserved matters application came forward.

RESOLVED – that with respect to planning application TWC/2013/0861 that Delegated Authority be granted to the Development Management Service Delivery Manager to Grant Outline Planning Permission (with authority to finalise conditions and reasons for approval) subject to the following:

A) The applicant submit a signed Memorandum of understanding relating to:

A financial contribution of £145,000 towards the maintenance of the proposed sports pitches, a financial contribution of £55,000 to ensure the provision of a new ball court, a financial contribution of £5,000 towards the costs associated with the existing Traffic Regulation Order and a financial contribution of £5,000 towards the monitoring of the Travel Plan

B) The conditions and information set out in the report.

(b) TWC/2015/0220 – Site of Roden Nurseries, Roden Lane, Telford, Shropshire

This application sought outline planning consent for the erection of 9 dwellings with all matters reserved on pasture land south of Roden Lane and on the western edge of Roden Village. The site fell within the existing boundary of Roden Nurseries.

This application had previously been before the Committee on 3rd June 2015 and officers had recommended that this application be refused. At that meeting a request to defer the application was proposed following a late proposal from the applicant to provide a supply of mains water to the village of Roden. It was agreed that this application would be deferred to allow an investigation into the provision of a new water supply for the wider community benefit for the village.

The Planning Officer had received information which set out the basis of the water mains and the costs involved, including those costs applicable to the wider community should they wish to benefit from mains water.

The site was within the rural area, where development was focused on three identified settlements, outside of those areas, limited development was permitted in line with Policy H9. Policy H9 allowed for smaller developments and if acceptable within this policy then the development would need to be considered with regard to Policy H10 which limited development to 1-2 infill plots that would not encroach into the open countryside. This development within Roden was identified for limited development by policy H9 but would result in a large development that would encroach into the rural area, and due to the presence of Tree Preservation Orders in place on the site any layout of 9 units would be hindered. Officers had therefore originally recommended refusal of this application.

The officer identified that Roden was the only village identified that did not benefit from mains water. Proposals had now come forward to install a water main through the village to serve this development and this would be available for the residents to tap into; although there would be a cost to the residents. The Planning Officer had interrogated these costs and these would be standard installation costs, whereby the maximum cost would be in the region of £2,000 per property.

It was considered that these were exceptional circumstances that would not occur within any other village and the Officers had now recommended the application for approval.

Cllr S Bentley, Ward Member for Edgmond and Ercall Magna, gave his support for this application. This settlement was ideally located and continued to offer employment opportunities taking account of its previous history within the economy of the area and was supported by the Parish Council and the community. This development would give the potential for further investment and opportunity within the village. This was a unique situation within the UK and he congratulated the officers for the work that had been undertaken on this application and noted that there was now unanimous support for this development.

Mr A Williams, Applicant's Agent, informed Members of the endorsement and support locally for this application and was grateful that the application had been deferred to consider the mains water supply for the community benefit which would come at a reasonable cost to existing residents. Following the discussions with Severn Trent Water Mr Williams confirmed that mains water could be supplied at a considerable cost to the developer and would be funded by the proposed development. The Applicant was happy for a condition that the water mains be installed prior to the units becoming occupied. There was an offer to local residents to install water mains at their properties for the normal instalment charge only and there would be no clawback or extra benefit to the developer. The outline planning application demonstrated an acceptable scheme of 9 dwellings which would protect the young trees in situ and there had been no technical objections. Officers now accepted the benefit to the community and the environment and Mr Williams urged the Members to accept the revised Officer recommendation.

The Planning Officer explained that previously the position had been that Core Strategy policy CS7 had focused development in rural areas to High Ercall, Waters Upton and Tibberton. Outside of this development was limited, and within the open countryside strictly controlled. The previous recommendation had been based on that principle as there was no justification or material consideration and the village would have been extended into open countryside. This development was now subject to a significant community benefit of the water mains supply, which would not anticipated to come forward unless on the back of significant major development; and approximately 74 properties would benefit at a limited affordable cost to themselves of approximately £2,000, if they wished to take up this opportunity. Other businesses in and around the Village ie Roden Nursing Home, Roden Nurseries and Coopers Sausage Rolls would also benefit from the water mains and this would enable them to continue investment into the area. The Oak Trees would be protected although it was to be noted that this was only an outline planning application with all matters reserved and there may need to be an amendment regarding the trees with suitable replacements when officers consider the most appropriate layout through the reserved matters application. Officers were now of the opinion that 9 houses on this site bringing forward an exceptional community benefit now weighted the planning balance, and was now acceptable. Members were asked to agree the revised recommendation to approve this application subject to water mains being installed prior to occupation.

A discussion took place regarding the significant wider community benefit that this application would bring to the village of Roden and Members welcomed the application. Whilst this material consideration may attract more investment, encroachment into green field land must be kept in mind.

RESOLVED – that with respect to planning application TWC/2015/0220 outline planning permission be granted subject to the conditions and informatives contained within the report.

(c) TWC/2015/0590 Land Adjacent Bleak House, Rowton, Telford, Shropshire

This application sought full consent for the erection of one detached dwelling with double garage and associated landscaping and access on land adjacent to Bleak House in Rowton. The proposed dwelling comprised a two storey, 4 bedroom detached house with a gable roof design and a detached double garage to the front and sited to the west of Bleak House and on the western edge of the village.

The Planning Officer advised Members that this development was within the rural area where development is focused on the three identified settlements as defined by policy CS7, elsewhere development was limited in the rural area, and strictly controlled within the open countryside. Policy H9 identified suitable areas where development in the rural area was limited. Rowton was not identified as a suitable settlement and was contrary to the Development Plan.

Cllr S Bentley, Ward Councillor for Edgmond and Ercall Magna addressed the Members on behalf of the Applicants. Bleak House was a 17th Century listed building. The applicants wished to remain in the village but were unable to buy an alternative suitable property. The owners struggled to cope with the demands needed to maintain and keep Bleak House and the Applicant's wife had health issues. There were several outbuildings on the site but none suitable for conversion. The benefit of this development would be the design and this would not detract from the paddock area. The construction material could complement that of Bleak House and neighbouring properties. There were no objections from neighbours, Ercall Magna Parish Council or Tree Officers. Cllr Bentley drew the Members' attention to an application at "The Firs", a neighbouring property which had previously been approved, and this was 1 property in isolation. Policy CS7 and NPPF guidance took into account the needs of the individual. In a key settlement the Policy CS1 did not apply to a single property. Cllr Bentley also referred to Paragraph 6.10, 6.13 and 6.15 of the NPPF which related to the needs of the individual, the property not being beyond the edge of the village and agricultural land.

The Planning Officer advised Members that this development sat on the edge of the village on an open paddock within the curtilage of the property. Development within this location was unacceptable in principle based on current policy and Members' attention was drawn to the Application at Baxter House which was dismissed in November 2015 due to no special circumstances and did not meet policy CS7 and Policy H9. There would be a loss of grade 3 agricultural land that was defined as good to moderate and officers had raised concerns on the adverse impact of this development. The planning officer acknowledged "The Firs" application, this was on enclosed garden land and was approved prior to the Council having a 5 year land supply when these villages were allowed some small scale development; limited to 1-2 dwellings to support the vitality and vibrancy of the area, but subject to not extending into the open countryside. Attention was drawn to the Baxter House

decision which identified Rowton as an isolated village with limited facilities ie a church and a limited bus service on week days only which would mean that residents would be reliant on a car to access services ie doctors, public house, shops and schools. The Conservation Officer had expressed concerns regarding the design, however officers considered this design was on balance acceptable, the decision however was not acceptable purely in principle. There was a Tree Preservation Order on site and amendments to visibility splays would be required. There were no concerns regarding ecology, drainage or land contamination. The Planning Officer drew Members' attention to Policy H9 which had been omitted from the recommendation, and requested this was added to the reason for refusal.

With regard to meeting the needs of the individual, no specific needs test or special circumstances had been given and no evidence to confirm that the buildings/outbuildings within the site were not capable of conversion had been submitted. Members were asked to refuse the application based on policies.

A discussion took place around the reasons for the approval of "The Firs" application and why the Bleak House differed as the scale and design was the same and was generally acceptable and the impact of the 5 year housing land supply, suggesting that policies did not change overnight. It was questioned whether there was an encroachment into open countryside and whether the NPPF applied to the paddock as this was grade 3 agricultural land and not rolling fields. Members suggested that a common sense approach was taken when interpreting policy. A question was raised as to whether a deferment should be agreed in order for the applicants to submit a medical report and information around exceptional circumstances.

The Planning Officer advised Members that as the 5 year housing land supply became apparent. It was from that precise moment that the local policies were considered up to date, as confirmed by the Barrister's opinion in March 2015; and that is why members had re-considered several applications, giving them opportunities to refuse previous resolutions of the committee to grant applications. The paddock was contained within the curtilage of the house. There was no defined village boundary. Officers had referred to recent appeal decisions in relation to this application, both Baxter House in November 2015, and that of Charlton dismissed that week, confirming the approach to development outside of those settlements identified in both policy CS7 and H9.

The Assistant Director: Planning Specialist informed Members that there were two important points to consider. This application was not recommended for refusal on a technicality, but on an important policy issue. The decision at "The Firs" did not set a precedent as the position of the Council had now changed following the decision in the High Court and Legal Advice that the Council's 5 year housing land supply had reached the right figure. This application was clearly contrary to national and local policy. The Council was facing a number of important appeals about development and needed to demonstrate that the Council and the Planning Committee had firmly set out and used these policies. The advice to Members was to stick to Policy and use this Policy as this would send a clear message regarding appeals and would strengthen the Council's position.

Following the discussion it was:

RESOLVED – That with respect to planning application TWC/2015/0590, that Planning permission be refused on the following grounds:

- the Local Planning Authority considers the proposed dwelling to be inconsistent with the National Planning Policy Framework and local policies relating to the location of the development within the rural area. The Council can demonstrate a 5 year housing land supply and as such there is no requirement for additional dwellings in this remote rural location. Furthermore the site would involve encroachment into open countryside and loss of good quality agricultural land and there are no special or exceptional circumstances to support this application. The application site is considered to be unsustainable and would cause harm to the landscape and setting of the open countryside. Accordingly the principle of the development is contrary to the NPPF, CS7 and CS15 of the Core Strategy and Policies H9 and UD2 of the Wrekin Local Plan.

d) TWC/2013/0694 Halfway House, The Wrekin, Telford

This application sought full planning permission for residential alterations to The Halfway House on The Wrekin. The development included the installation of new timber cladding to the first floor which replaced the existing white painted brickwork; the installation of two large dormer extensions to the front elevation which were located one above the other and two further large dormer extensions to the rear again one over the other. Four roof lights had also be installed, two to the front, one to the side and one to the rear. A new window had been installed on the ground floor rear elevation and two replacements to the side elevation. These works had already been carried out in full.

There was also a proposal for a detached car port located to the North of the house which would be of a timber construction and single storey. This would have a shallow pitched tile roof totalling 3.7m height. These works had not been completed.

A further proposal for a detached timber outbuilding measuring 1.3m x 1.1m and up to 2.7m high to house a vending machine had already been completed and currently installed under the canopy of a mature tree outside the boundary of the dwelling but within the ownership of the Halfway House on the access route past the Halfway House which led to the summit of The Wrekin.

Planning permission was required as the dwelling was located within an Area of Outstanding Natural Beauty (AONB) and on a Site of Special Scientific Interest (SSSI). In such areas permitted development rights are reduced and permission required for any extensions, cladding of walls and any addition or alteration of a roof.

Cllr J Seymour, Ward Councillor for Wrockwardine, addressed Members regarding the development at the Halfway House which was a welcome stop-off on the way up and on the way down the Wrekin. This had not been the case in recent years when the dwelling became empty and dilapidated and had become an ongoing eyesore and if left would probably have fallen into total disrepair. The recommendation to

refuse was overlooked as this development was not in a conservation area and there was no impact on surrounding properties. With regard to the impact on the long distance views, Cllr Seymour confirmed that she had never seen the house from afar. It was Cllr Seymour's view that this decision had been based on the Officer's own personal likes and dislikes. The Applicant was willing to change the application and withdraw the car port, but he could not afford to re-do all the work which had been carried out. If this was the case then he may have to cut his losses and abandon the project. Cllr Seymour did not usually approve of retrospective consent but in this case the development was having a real impact on those who passed the building and was open to provide services. It was suggested that Members see the work that has been carried out for themselves and take their personal view whether it visually acceptable or an eyesore and a site visit was requested.

Mr S Saward, Applicant, explained to Members the reasons why he was in his current position. Mr Saward grew up locally and had fond memories of the building from his childhood and although surprised at the state of the building when it came up for sale he decided to take on the challenge. The development provides facilities for thousands of people and upon successfully purchasing the house polled local walkers to see what they wanted. A developer was then appointed and work started on the house as it was not liveable due to falling walls and damp. As some of the work had been completed without planning permission, Mr Saward was now in limbo and the development on hold and the facilities of the shop, toilets and the vending machine closed to the public. New builders had now been appointed and it may be necessary to remove the vending machine and move the car port. There had been no negative input from the community and Mr Saward asked Members to attend a site visit.

The Planning Officer advised Members that the main issue was the design and this was an important feature visible from the pathway, together with longer distance views at the descent from Little Wenlock. This was an area visited by thousands of people and there were environmental, ecological and social issues with this site. Timber cladding had replaced the simple white paint which sat against the grey backdrop of the clouds. There were 4 larger dormer windows which were significant individually and had an impact on the dwelling ratio and were considered to be more dormer extensions than windows as the windows themselves were only small slits. Individually they were unacceptable, and in combination had a significant cumulative impact; these were wider than any protruding apex and monstrous when compared to the scale of the existing dormer windows. This arrangement had specifically been created to provide more floor space and head height. The officer confirmed that this development would have been restricted within the urban area let alone in an AONB and visited by thousands of people. The dormer windows did not comply with building regulations and without any information being submitted it was difficult to say what alternative would work; but as submitted and being considered by members amendments would need to come forward. The outbuilding feature on the footpath whilst beyond the built boundary of the dwelling was in the ownership of the applicant but was a poor form of development that was significantly prominent. Officers had asked that this was moved closer to the house in order that it was not so dominant but no amendments were forthcoming. There were no bins in this

location and rubbish had collected at this location. Further rubbish was likely to collect if no bin was provided.

With regard to the car port, no information had been received as to the impact on the stability of the hillside and levels and level changes; and a request had been made for a land stability declaration form to be carried out by a suitably qualified person. The Planning Officer currently had no idea as to what harm the car port would have on the stability of the dwellings curtilage or on the wider hillside that formed part of the Wrekin and AONB. With regard to the roof lights and windows, the Officers had no objections to these.

Development on this property was restricted and there were some significant issues. This development would set a standard for what is appropriate and developers needed to recognise what was acceptable and respect and reinforce the host dwelling. The suitability of this application was considered inadequate and contrary to the work of the Wrekin Special Partnership and the work of the AONB.

The Chair asked members to consider whether this application should be deferred for a site visit to take place. Following the discussion and upon being put to the vote it was unanimously

RESOLVED - that with respect to planning application TWC/2013/0694 that this application be deferred to the next meeting in order that a site visit could take place.

(e) TWC/2015/0888 Dukes Meadow, Sleapford, Long Lane, Telford

This application sought consent for the erection of a single storey side and rear extension with accommodation within the roof space and the creation of a Juliet balcony to the rear at Dukes Meadow, Sleapford, Long Lane, Telford. The development would provide a garage and summer room and extensions to the existing rooms at ground floor level. An additional bedroom would be accommodated within the roof space.

An update report was tabled at the meeting detailing a further consultation response.

Cllr S Bentley, Ward Councillor for Edmond and Ercall Magna, spoke on behalf of the closest neighbouring residents. Concerns continued to be around the hedgerow, the trees and the Juliet balcony. A large amount of work had been undertaken by the Officers in order to secure amendments to the plans but further work was needed. There were no comments from the Arboricultural Officer regarding the trees at the boundary but if this could be looked at again he was sure that the neighbouring residents could conclude the discussions.

Mr A Sanghera, Applicant, addressed the Members and confirmed that since the consultation period discussions had taken place with Officers to address the concerns raised. Mr Sanghera didn't wish to add anything further to the report but was willing to address the further concerns raised at the Committee.

The Planning Officer advised Members that this application was for the extension of a bungalow within a mix of properties. The property benefits from permitted development rights and principle of a side and rear extension could take place, but because of certain design aspects requires consent. This included the side extension that wrapped around to the rear extension and the balcony. Two versions of amended plans had been received since the registration of the application, as the officer sought to reduce the impact on the neighbouring property and improved the design; this included the removal of the projecting balcony which was reduced to a Juliette balcony. Issues raised regarding the development being out of character, disproportionate and overlooking neighbours were addressed in the update report tabled at the meeting. The Planning officer drew members attention to the Google Satellite image of the properties indicating the location of the trees; one tree would be removed to the side of the property but there would be no further impact on trees or the hedgerow; officers reminded members of the applicants rights to remove any overhanging tree branches and permitted development rights. Officers now considered the application acceptable and recommend approval with the condition that the side elevation plan received on 25th November 2015 be submitted with the application.

Members considered that officers had now done enough work to resolve all issues raised and that the development be approved.

Following the discussion it was unanimously:

RESOLVED - that with respect to Planning Application TWC/2015/0888 it was agreed Full Planning Consent be granted subject to the conditions set out in the report and an additional condition requesting an amended side elevation plan showing the amendment removing the balcony, reflecting the other approved plans.

The meeting ended at 7.44pm

Chairman:

Date:

PLANNING COMMITTEE

Minutes of a meeting of the Planning Committee held on Wednesday, 3 February 2016 at 6.00pm in the Telford Suite at Shropshire College Hotel School Ltd (The Telford Whitehouse Hotel), Watling Street, Wellington, Telford TF1 2NJ

PRESENT: Councillors J C Minor (Chair), N A Dugmore, I T W Fletcher,
J Loveridge, N C Lowery, P J Scott, M J Smith and C R Turley.

ALSO PRESENT: Councillors A Lawrence (for planning application
TWC/2015/1082) and J M Seymour (for planning applications TWC/2015/0694 and
TWC/2015/1110)

PC-079 APOLOGIES FOR ABSENCE

None

PC-080 DECLARATIONS OF INTEREST

Councillor N A Dugmore declared that, in respect of planning application
TWC/2015/1082, he was one of the local Ward Members and a member of
Donnington and Muxton Parish Council but he indicated that he had not engaged in
any prior discussions and, therefore, he would not be withdrawing from the meeting
for that item.

Councillor I T W Fletcher declared that, in respect of planning application
TWC/2015/0530, he was the local Ward Member and a member of St Georges and
Priorslee Parish Council but he indicated that he had not engaged in any prior
discussions and, therefore, he would not be withdrawing from the meeting for that
item.

Councillor M J Smith declared that, in respect of planning application
TWC/2015/1119, he was a member of Hadley and Leegomery Parish Council but he
indicated that he had not engaged in any prior discussions and, therefore, he would
not be withdrawing from the meeting for that item.

PC-081 MINUTES

RESOLVED – that the minutes of the meeting of the Planning Committee held
on 13 January 2016 be confirmed and signed by the Chairman.

PC-082 DEFERRED/WITHDRAWN APPLICATIONS

None.

PC-083 SITE VISITS

None.

PB-084 PLANNING APPLICATIONS FOR DETERMINATION

Members had received a schedule of planning applications to be determined by the Committee and fully considered each report and the supplementary information tabled at the meeting regarding planning application TWC/2012/0530, TWC/2015/0694, TWC/2015/1082 and TWC/2015/1110.

(a) TWC/2012/0530 Off Priorslee East, Gatcombe Way/York Road/Hereford Drive, Priorslee, Telford, Shropshire

The Committee was asked to consider a variation to the existing S106 agreement for this site to alter the triggers and timescales of when contributions should be paid. The proposed variations, as detailed in the report, would better reflect the size of each of the respective plots within the wider development and allow for the planning and provision of a Neighbourhood Equipped Area for Play (NEAP) on nearby Council land rather than within the boundary of plot D3 where the potential developer proposed to deliver a scheme of 100% affordable housing. An update report was tabled at the meeting to clarify that the proposals for affordable housing at Plot D3 were not included as a requirement in the S106 Agreement and there were no proposals to change existing requirements for affordable housing across the development.

Councillor V A Fletcher, the local Ward Member, spoke in opposition to the proposed changes to plot D3. She noted a lack of play facilities in the Priorslee area and sought an upgrade of the NEAP to a Multi Use Games Area (MUGA) to be sited on plot D3. She also opposed the affordable housing at the site, which she argued should be pepper-potted throughout the whole development in accordance with policy to avoid concentration in this area. She also sought confirmation of the timescale of development

The Planning Officer commented that the planning permission had been renewed in September 2014 with a requirement to submit a reserved matters application by September 2017. She noted that if Members were minded to support the upgrade to a MUGA as sought by Councillor V A Fletcher, further consultation with Parks and Recreation Officers would be required.

Members were concerned at the delay in bringing this site forward for development and the Planning Officer confirmed that the consent included conditions for a phasing plan which would be submitted by whoever sought to progress development. Some Members were concerned that this meant that developers could seek to delay payment of the S106 contributions. Members were also concerned that the proposed NEAP would be moved off the site and its location was not certain. The opinion that viability issues were caused by the high cost of the land imposed by HCA was also expressed but some Members welcomed the provision of 100% affordable housing and felt that on balance the variation was acceptable.

Upon being put to the vote, it was by a majority:

RESOLVED – that the Section 106 Agreement relating to planning application TWC/2012/0530 be varied as follows:-

- (a) amend triggers for education contribution of £405,000 to:**
 - (i) 5% on commencement of plot D3;**
 - (ii) 60% on commencement of plots I or F (whichever is earlier); and**
 - (iii) 35% on commencement of plots J1 or J2 (whichever is earlier).**

- (b) amend triggers for recreation contribution of £122,000 to:**
 - (i) £29,200 within 12 months of commencement of plot D3 (towards adoption and maintenance of the NEAP on either council owned land of plot J2)**
 - (ii) £42,500 within 12 months of commencement of plots J1 or J2 (whichever is earlier) (towards upgrade of existing NEAP on Kesworth Drive)**
 - (iii) £50,600 on commencement of plots I or F (whichever is earlier) (towards construction of a NEAP within 1,000m of the development on Teece Drive)**

- (c) amend location, requirement for a programme, specification and timescale for construction for the NEAP to:**
 - (i) Local authority to provide costing and design layout for location of NEAP on local authority owned land to the south of the existing LEAP or on plot J2;**
 - (ii) Prior to submission of a Reserved Matters application for plot J2 agree NEAP location with the council;**
 - (iii) Provide agreed funding, a maximum of £55,000, for construction of NEAP within 12 months of the commencement of plot D3;**
 - (iv) Agree programme, specification and timescale for construction; and**
 - (v) Construction of NEAP to be procured and completed by local authority.**

- (d) amend triggers for POS contributions to:**
 - (i) Provide plan, design and programme for delivery of POS of plots I and F before commencement on I or F (whichever is earlier); and**
 - (ii) Provide plan, design and programme for delivery of POS of plots J1 and J2 before commencement on J1 or J2 (whichever is earlier).**

(b) TWC/2015/0694 - Halfway House, The Wrekin, Telford, Shropshire, TF6 5AL

This was an application seeking full planning permission for residential alterations to Halfway House on The Wrekin, including installation of new timber cladding, four dormer windows, four rooflights, three windows, erection of a detached car port and an outbuilding to house a vending machine. An update report was tabled at the

meeting which detailed a consultation response received since preparation of the report.

Councillor J M Seymour, Ward Member, had requested that the application be determined by the Planning Committee. The application had been deferred at the meeting of the Committee on 13 January 2016 to enable Members to undertake a site visit which had taken place prior to this meeting.

Councillor J M Seymour spoke to support the application noting that it was a solitary house and, whilst the design was not to all tastes, she did not feel it was out of keeping with the area and noted the comments of Natural England that the application did not affect the setting of the Site of Special Scientific Interest. She considered that the property offered much needed facilities for walkers, and whilst concerns regarding the car port, vending machine and bins could be more easily addressed, significant investment in the roof had taken place and, she feared that if it was required to be removed or replaced, the applicant may find himself in such a financial position that he had to abandon the property.

The applicant, Mr S Saward, thanked the Committee for undertaking the site visit and stated that the comments he made at the previous Planning Committee stood. He considered that the visual impact of the application only affected walkers on the Wrekin. He pointed out the service offered to walkers and asked that the project be allowed to move forward.

The Planning Officer referred to the key points, comprehensively explained in the report, relating to:

- the harm caused to the dwelling by the timber cladding
- the failure of the dormer extensions to respect and reinforce the original dwelling house and failure of the dormer windows to meet building regulations
- the alien location of the vending machine and associated collection of rubbish due to a lack of bins
- the lack of evidence forthcoming regarding land stability and whether the erection of a car port would be structurally safe due to the dramatic slope of the land; and the lack of detail associated with the ground levels of the proposed car port.

She also noted that from the site visit a hip roof to the rear elevation had been replaced with a gable roof but this had not been specifically addressed in the application and needed planning consent. She went on to state that whilst investment in the site was encouraged, it was important that any development was sympathetic in this exposed site within the Area of Outstanding Natural Beauty. Members were informed of the importance of this designation, and that they had the same level of landscape quality and protection as a national park; hence why permitted development rights were limited in such areas. She reminded Members that the cost of removal of unauthorised works and the fact that this is a retrospective application should not impact on their decision, which had to be made on the merits of the application before them. In addition to outlining the issues around the proposed alterations she reminded members of the aspects set out on the site visit, in particular the location of the car port which would be set on a gradient and the issues relating to any additional fill, or excavation at this point that could adversely

affect the hillside of the Wrekin. The proposed alterations failed to meet building regulations, and in order to address these, amendments would be required which would alter the proposals currently being considered by Members. Whilst officers had tried to negotiate during the application process no amendments had ever been received.

Whilst all Members supported development at this site and concern was shared regarding the land stability for the car port, Members held polarised views regarding the timber cladding, roof and dormer extensions. Members hoped that further negotiations between the Planning Officer and applicant may resolve these issues but the Development Management Service Delivery Manager pointed out that Officers had thus far been thwarted in their attempts to negotiate with the applicant due to his lack of engagement and failure to provide any requested evidence. Although he discouraged deferral of the application the Development Management Service Delivery Manager reminded Members that if they were minded to refuse permission, negotiation could take place alongside any appeal lodged, Members were keen to provide the applicant with a final opportunity to revise the application to an acceptable standard and it was unanimously:

RESOLVED – that planning application TWC/2015/0694 be deferred until 16 March 2016 for further negotiation between the applicant and the Planning Officers in relation to the planning considerations and issues set out in the report.

(c) TWC/2015/0997 - Former Malinslee Primary School, Matlock Avenue, Dawley, Telford, Shropshire

This application sought full planning permission for the erection of a residential development comprising 92 dwellings on the site of the former Malinslee Primary School together with associated parking, highway works and landscaping.

Mrs J Middleton, the Council's Housing Investment Programme Manager spoke to support the application made by Nuplace, a Council initiative to build and manage more than 400 homes for the private rental market to support the delivery of the Council's long term capital investment programme by developing stalled and brownfield sites. It was hoped that the provision of a high quality landlord service would drive standards in the sector. In addition to these wider benefits, Mrs Middleton referred to viability, traffic assessment and building on the Green Network.

The Planning Officer highlighted aspects of her report relating to the Green Network, planning history, layout and density, highways, drainage and viability issues resulting in a lack of affordable housing. She also pointed out that the recommendation was to grant full planning permission rather than outline planning permission as mistakenly indicated in the report.

In response to comments regarding affordable housing, the Planning Officer advised that this application formed part of a suite of sites coming forward for development under the Council Housing Investment Programme and, with some sites returning 100% affordable housing, the total affordable housing across this programme was around 20%. Additionally, Wrekin Housing Trust were developing a nearby site as

part of the Dawley Regeneration Masterplan with 100% affordable housing in the form of much needed bungalows.

The Planning Officer offered further clarification on the exceptional circumstances which permitted development on the Green Network due to compliance with the Dawley Regeneration Masterplan which identified replacement community benefits for the loss of the playing fields and which had received the support of Sport England.

Members asked a number of further questions, to which the Planning Officer responded that a new access road would be provided in the location of the existing school entrance, the density of the development reflected the surrounding area, the site was in a sustainable location, a landscaping scheme would be subject to conditions and conditions regarding contamination were standard and did not indicate any specific problems on site.

Whilst some Members remained disappointed by the lack of affordable housing at this site, the wider benefits of the scheme were recognised and it was unanimously:

RESOLVED – that with respect to planning application TWC/2015/0997 the Development Management Service Delivery Manager be authorised to grant full planning permission subject to:-

- (a) continued discussions with the applicant to achieve an acceptable surface water drainage scheme
- (b) the applicant submitting a signed Memorandum of Understanding relating to: -
 - (i) Education Contribution of £165,916 (towards the expansion of Old Park School)
 - (ii) Highways contribution of £44,234 (towards the Telford Town Centre Connectivity Package)
- (c) the conditions set out in the report (with authority to finalise conditions and reasons for approval to be delegated to Development Management Service Delivery Manager).
- (d) TWC/2015/1082 - 10 Pine View, Muxton, Telford, Shropshire, TF2 8QX

This was a proposal for the erection of a two storey and first floor side extension and a detached games room. Councillor A Lawrence, Ward Member, had requested that the application be determined by the Planning Committee. An update report was tabled at the meeting which set out further comments received from a neighbouring objector and proposed a further condition to prevent the future conversion of the games room into living accommodation.

Councillor A Lawrence, the local Ward Member, spoke to oppose the proposals on the grounds of overdevelopment, impingement on the street scene, and the impact

on neighbouring properties. He welcomed the additional condition to restrict use of the games room.

Mr R Rees, a neighbouring resident, spoke against the proposals in terms of the impact on the street scene, overbearing on his property, future policing and enforcement of use, noise, traffic issues, disturbance during construction, not in keeping with the character of the area, permitted development rights, existing covenants and the effect on the quality of life of neighbours.

The Planning Officer referred to aspects of the report regarding the principle of development, scale and design, overlook, construction and permitted development rights. Upon request, she refreshed Members' understanding of the size of development allowed by permitted development rights.

Due to the addition of a condition to restrict the future use of the games room, the majority of Members were of the mind that the modest proposals were acceptable and upon being put to the vote it was by a majority:

RESOLVED – that with respect to planning application TWC/2015/1082 planning permission be granted subject to the conditions as set out in the report and further subject to the condition set out in the update report tabled at the meeting.

(e) TWC/2015/1110 - 1 Broomfield Barn, Allscott, Telford, Shropshire, TF6 5EQ

This was an application for retrospective planning consent for the erection of a detached garage. Councillor J M Seymour, Ward Member, had requested that the application be determined by the Planning Committee. An update report was tabled at the meeting which detailed two letters received in support of the application.

Councillor J M Seymour, the local Ward Member, spoke to oppose the application on the grounds that the applicant had been aware of the need for planning permission and his new neighbour had based her decision to purchase the neighbouring property on the plans for the existing permission. She contended that the existing permission made provision for adequate garage space and there had been no consultation on the revised plans which she stated impacted upon the neighbour's right to peaceful and quiet amenity.

Miss E Mackenzie, the neighbouring resident, spoke to oppose the application on the grounds that the building differed from existing planning permission and, whilst she appreciated loss of view was not a material planning consideration, she had not anticipated the current structure when she recently purchased her property based on the existing consent. She questioned the planning officer's contention that there were no habitable windows which overlooked the newly erected triple garage and considered that the increase in size and location caused noise and disturbance to her which could be exacerbated further if the use of the garage changed over time.

The applicant, Mr A Taylor, explained the work he had undertaken on site as a retirement project and apologised that he had misinterpreted guidance on the government's Planning Portal which had led to him believing planning permission

was not required for the new garage. He commented upon the lack of overlooking and presence of a boundary wall and advised that the angular stone material used for the driveway had been chosen to minimise noise when driven over. He agreed to enter into a section 106 agreement as set out in the report.

The Planning Officer noted that the principle of development had been established by a previous planning approval and also commented on scale, siting and impact on neighbouring properties as detailed in the report. She commented upon separation distances, evidencing the approved floor plans for the barn conversion and noted that the visible windows at the neighbouring property did not serve habitable rooms (ie they were not a lounge or bedroom). She pointed out that, if Members were minded to grant planning permission, the existence of the earlier planning permission meant that there would be consent for two garages at the property but that this could be rectified by the proposed section 106 agreement to rescind the previous permission.

Following a request by Members, the Planning Officer displayed the plans for the existing garage and workshop permission and contrasted these with the plans for the current building works. Whilst Members were disappointed that the application was being received in retrospect and acknowledged the points made by speakers, they considered that the application was acceptable and on being put to the vote it was unanimously:

RESOLVED – that with respect to planning application TWC/2015/1110 the Development Management Service Delivery Manager be authorised to grant planning permission subject to the applicants/landowners entering into a Section 106 Agreement preventing the implementation of planning permission TWC/2013/0295 – Erection of a detached garage, upon the issuing of this permission and to agree not to claim compensation in the event of revocation; and further subject to the conditions set out in the update report (with authority to finalise conditions and reasons for approval to be delegated to Development Management Service Delivery Manager).

(f) TWC/2015/1119 - 1 Waterloo Road, Hadley, Telford, Shropshire, TF1 5NX

This was a full planning application seeking retrospective planning permission for the creation and enclosure of an external storage area compound to the side of the 'Badhan Factory', an established industrial unit situated off Waterloo Road in Hadley. Hadley & Leegomery Parish Council had requested that the application be determined by the Planning Committee.

Councillor W A M McClements spoke on behalf of Hadley & Leegomery Parish Council to oppose the application due to its prominent location and the history of untidiness at the site which did not meet the aspirations of regeneration in the area. The Parish Council sought a condition to limit storage in the area to keep the associated car park tidy.

The Planning Officer noted that the factory was an established industrial unit and there were currently no conditions in relation to storage on the car park area and, therefore, it would be inappropriate to impose one as part of this application. The

Legal Advisor noted that the applicant appeared to be trying to alleviate storage problems with this application and that any conditions to restrict storage elsewhere on site would be vulnerable on appeal. Although Members initially considered deferring the application to seek assurances from the applicant regarding storage on the car park, this did not form part of the application before them and Members felt that it may be more prudent for the Parish Council to formalise any complaints regarding storage in the future. It was, therefore, unanimously:

RESOLVED – that with respect to planning application TWC/2015/1119 planning permission be granted subject to the conditions as set out in the report.

(g) W2007/1254 - Plot E, Pool Hill/Doseley Road, Dawley, Telford, Shropshire

Cllr I T W Fletcher left the room during consideration of this application. The meeting adjourned until his return.

The Committee was asked to consider a variation to the existing S106 agreement for this site to remove all financial contributions and affordable housing requirements to allow this site to come forward in 2016. It had previously been intended for Wrekin Housing Trust to deliver 100% affordable housing across the site, however, due to the impact of the government's budget announcement in July 2015, the Trust had decided that they could no longer progress with the scheme. Given the very high development costs associated with the site, the applicant had defined that an open market scheme would not be viable with the requirements of the current section 106 agreement and the variation was sought.

Members lamented the loss of affordable housing on this site together with the loss of play facilities and education contributions. The Planning Officer explained the viability issues and, reluctantly the majority of Members accepted that the variation was necessary in order to move development forward at the site. It was by a majority:

RESOLVED – that the Section 106 Agreement relating to planning application W2007/1254 be varied to:-

- (a) **remove the Recreation Contribution of £600 per dwelling (excluding one bedroom units) for improvements, enhancements, upgrading and maintaining recreation and leisure facilities at Dawley Park or within 1,000 metres of the development**
- (b) **remove the Education Contribution of £1250 per dwelling (excluding affordable housing and any one bedroom units) to primary school facilities in the vicinity**
- (c) **remove Affordable Housing Units requirement of 22.5%**

whilst retaining the Highways Contribution of £12,000 (with indexation) towards street improvements to facilitate pedestrian movements to the Captain Webb School and Phoenix Secondary School.

The meeting ended at 8.31pm

Chairman:

Date: