



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

CABINET

Date **Thursday, 13 October 2016** Time **5.00pm**
Venue **Meeting Room G3, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

Enquiries Regarding this Agenda:

Democratic Services	Jessica Tangye	01952 382061
Media Enquiries	Corporate Communications Manager	01952 382403
Lead Officer	Richard Partington, Managing Director	01952 380102

Cabinet Members:

Councillor S Davies	Leader of the Council
Councillor R A Overton	Deputy Leader and Cabinet Member for Housing, Leisure & Health
Councillor L D Carter	Council Finance, Partnerships & Commercial Services
Councillor E A Clare	Culture, Sports, Parks & Green Spaces
Councillor A R H England	Adult Social Care & Older People
Councillor A D McClements	Transport, Customer & Neighbourhood Services
Councillor G C W Reynolds	Education, Employment & Regeneration
Councillor H Rhodes	Public Protection, Safety & Enforcement
Councillor P R Watling	Children, Young People & Communities

Invitees

Councillor A J Eade	Conservative
Councillor W L Tomlinson	Liberal Democrat/Independent

AGENDA

		<u>Cabinet Member</u>	<u>Page</u>
1.	Apologies for Absence		
2.	Declarations of Interest		
3.	Minutes of the meeting of the Cabinet held on 15 September 2016.	Appendix A	3
KC	4. 2016/17 Financial Management Report	Cllr L D Carter	Appendix B 10
K	5. Youth Justice Plan 2016/17	Cllr P R Watling	Appendix C 28
K	6. Procurement Update Report	Cllr L D Carter	Appendix D 80
K	7. West Mercia Energy Joint Agreement	Cllr L D Carter	Appendix E 85

Continued ...

... Continued

NK C	8.	Enterprise Telford – Driving Growth and Prosperity	Cllr L D Carter Cllr S Davies	Appendix F	105
NK	9.	Shropshire Hills Area of Outstanding Natural Beauty (AONB) - Proposal for the creation of an independent Conservation Board	Cllr R A Overton	Appendix G	117
NK	10.	Highway Asset Management Policy & Strategy	Cllr A D McClements	Appendix H	151

		<u>Key</u>	
K	Key Decision	C	Item reserved for Council
NK	Non-Key Decision	Orange	Exempt Item

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 13 October at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 19 OCTOBER 2016

(DEADLINE FOR CALL-IN: MONDAY, 24 OCTOBER 2016)

Present: Councillors S Davies (Leader and Chair), L D Carter, A D McClements, R A Overton, G C W Reynolds, H Rhodes and P R Watling.

Also Present: Councillors A J Eade (Conservative Group Leader), and W L Tomlinson (Liberal Democrat/ Independent Group)

Announcements:

The Leader, Councillor S Davies noted the sad and untimely passing of Councillor Clive Mollett. He paid tribute to his services to the Council and extended sympathies to his family. Councillors A J Eade and W L Tomlinson echoed the tribute and also extended their sympathies.

The Leader expressed his concerns at the recent statement by Owen Paterson MP who had called for the authority to be abolished over its campaign to keep the threatened A&E department at the Princess Royal Hospital.

CB-033 Apologies for Absence

Councillors E A Clare, A R H England.

CB-034 Declarations of Interest

None.

CB-035 Minutes

RESOLVED – that the minutes of the meeting held on 15 September 2016 be confirmed and signed by the Chair.

CB-036 2016/17 Financial Management Report

Key Decision identified as Financial Management Report in the Notice of Key Decisions published on 14 September August 2016.

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Finance and Human Resources (Chief Financial Officer).

It was reported that the net projected outturn position for 2016/17 was estimated to be within budget, after applying £3.2m available in central contingencies, pending any further commitments in the rest of the year; and after using the specific contingency of £2.5m earmarked in the 2016/17 budget strategy for Early Help & Support pressures and the one off service balances totalling £0.5m for Children's Safeguarding.

Members noted that this was an improvement on the previous report, which reflected the strength of the financial management despite the level of savings taken out of budgets in 2016/17 and previous years.

Despite the Government's commitment to a Four Year Grant Settlement, it was noted that the funding outlook for the medium term was still very uncertain due to the number of changes in the pipeline outside the Revenue Support Grant process. However, it had been anticipated that a further £15-20m savings would need to be identified by the end of 2019/20 on top of the £12m already identified for 2017/18.

It was reported that work was currently underway to develop a range of options for further savings which would feed into the budget strategy next year. It was agreed that it was inevitable that many of these new savings proposals were likely to have greater front line service impacts than the savings made to date which had focussed on driving down staffing levels and other costs and improving efficiency within the organisation.

Children's Safeguarding and Early Help & Support continued to be key areas of pressure that had cost improvement plans in place, monitored on a regular basis by senior managers and Cabinet Members, to reduce costs and deliver savings. Members noted the pressures in this area and that the impact would be significant in years to come; it was felt that up until now the availability of contingencies had diminished the impact. It was highlighted that although the impact of the Government's welfare reforms could not be demonstrated at this time, it was essential to continue the fair funding campaign, particularly as the Cabinet had made a commitment to pledge 90% of any funds received would go towards Children and Adult care services.

A number of variations from the approved budget were reported, including some beneficial variances. The key areas highlighted were:

- A benefit of £2.5m relating to Treasury Management activities - the majority of which related to benefits from low interest rates for short term borrowing and the current Treasury Management Strategy of keeping the majority of new borrowings very short term.
- A one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd.
- Early Help & Support had projected an overspend of £3.7m, mainly relating to the cost of care packages. This was an improvement of over £0.3m compared to the position reported in July. A cost improvement plan was in place to deliver savings which should reduce this as the year progressed.
- Children's Safeguarding also continued to be a key pressure with an overspend of £2.8m, the majority relating to the cost of Children in Care

placements. A cost improvement plan was in place to review costs and the placement strategy.

It was noted that the capital programme totalled £92.3m which included all approvals since the budget was set. At the time of compiling the report projected spend was 93% of the budget allocation. Some new allocations, virements and slippage had been identified which would go to Full Council in November for formal approval.

Sales Ledger and Business Rates collection were ahead of the targets set. The level of outstanding Council Tax debt was slightly behind the target set for the year.

It was noted that there was a correction to recommendation 2.1 (i) in the Report; projected revenue spending was for 2016/17 and not 2015/16.

RESOLVED-

- a) to note the 2016/17 revenue spending was currently projected to be within budget and work continued with SMT to sustain this position;**
- b) that the position in relation to capital spend be noted and TO RECOMMEND TO COUNCIL that the new allocations, virements and slippage detailed in Appendix 3 of the Report be approved**
- c) that the collection rates for NNDR, council tax and sales ledger be noted.**

CB-037 Youth Justice Plan 2016/17

Key Decision identified as Youth Justice Plan in the Notice of Key Decisions published on 14 September 2016.

Reserved for Council

Councillor P R Watling, Cabinet Member: Children, Young People & Communities presented the report of the Director of Children's and Adults Services, which provided Members with details of the annual youth justice plan, on behalf of Herefordshire Council, Shropshire Council, Telford and Wrekin Council and Worcestershire County Council in accordance with the guidance "Youth Justice Plans: YJB Practice Note for Youth Offending Partnerships".

The Youth Justice Plan appended to the report set out how youth justice services across West Mercia were structured and funded and identified key actions to address identified risks to service delivery and improvement. The plan outlined the partnerships priorities for 2016/17 and provided commentary on the three national performance indicators for youth offending services. It was noted that:

- the rate of first time entrants to the youth justice system had increased in three of four local authority areas between 2014 and 2015, the reasons for this had been unclear. One of the priorities in 16/17 would be to investigate this and establish the reasons behind the increased rates. Members sought

clarification on the local authority areas and it was noted that Telford and Wrekin was one of the four local authorities in which there had been an increase; Herefordshire was the local authority where a slight decrease had been recorded. It was further clarified that overall the rate in West Mercia had increased against the national rate which has slightly reduced.

- in 2015/16 there was one custodial sentence in Telford equating to a rate of 0.06, this compared favourably to the West Mercia rate of 0.14 and the national rate of 0.37.
- the proportion of young people re-offending and the number of actual re-offences had decreased by -50% between 2010 and 2014; in the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014.

The hosting arrangement for the service transferred to the Office of the West Mercia Police and Crime Commissioner from 1st April 2016. As part of the governance structures Telford & Wrekin Council had delegated responsibility to oversee the implementation of the plan to the Community Safety partnership. This would support the delivery of the Youth Justice Plan by realigning local priorities with the Community Safety Plan and the Police and Crime Plan to reduce offending and reoffending. This would also work towards understanding behaviours related to offending that would manage demand on high cost services.

RESOLVED TO RECOMMEND TO COUNCIL that–

- a) the Youth Justice Plan 2016/17 be approved approval and the West Mercia YOS responsibilities be endorsed; and**
- b) delegated authority be granted to the Community Safety Partnership to oversee the Implementation of the Youth Justice Plan.**

CB-038 Procurement Update Report

Key Decision identified as Procurement Update Report in the Notice of Key Decisions published on 14 September 2016.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Governance, Procurement and Commissioning, which provided Members with an update on the Council's Procurement Intentions Documents and progress with procurement and contract management. An additional appendix was circulated which showed detail of savings on service contracts. Members noted that the savings in the report and appendices did not show the significance of the savings that had been achieved by the Council to date and that were in the pipeline.

It was noted that council wide procurement continued to drive savings through robust competitive tendering and real time negotiation when brokering services. Savings derived from effective procurement had contributed to the Cost Improvement Plans in place across the council.

Savings secured in recent months included:

- £50k re-negotiating a block contract within adults services,
- £31k per annum reviewing a young person's long term care placement,
- £15k through a change of procurement route for an ICT Product,
- £7k on our new insurance contract,
- £7k per annum on our hygiene contract,
- £3k extra income through increased commission from vending machines.

An opportunity for further savings had been proposed for consideration through the trial of electronic signatures when issuing legal documents.

RESOLVED that -

- a) the procurement updates in the report be noted;**
- b) the Procurement Intentions Document (appended to the report) be noted and delegation to the appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award, be approved;**
- c) a waiver of the relevant Contract Procedure Rules to allow a pilot to trial the use of electronic signatures by the Procurement, Brokerage and Licensing Teams for a period of 3 months be approved.**

CB-039 West Mercia Energy Joint Agreement

Key Decision identified as West Mercia Energy (WME) Joint Agreement in the Notice of Key Decisions published on 14 September 2016.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Finance and Human Resources which provided Members with details of the proposed update to the main agreement for West Mercia Energy (WME) between the constituent authorities, together with the related financial regulations, contract standing orders and scheme of delegation. A draft proposal had been agreed by Legal and Finance officers and would be ratified through each authority's cabinet process. Details of the changes were provided in Part B of the report. It was reported that the suggested governance changes would not impact on the Council's Constitution.

RESOLVED

- a) that the discussions taking place between the owning Authorities; Telford & Wrekin, Shropshire Council, Herefordshire Council and Worcestershire Council be noted;**
- b) to note that current governance arrangements for WME may be amended in line with the report;**

- c) that authority be delegated to the Assistant Director of Finance and Human Resources to finalise and execute amendments to the governance arrangements in Consultation with the Assistant Director of Governance, Procurement and Commissioning.

CB-040 Enterprise Telford – Driving Growth and Prosperity

**Non Key Decision
Reserved for Council**

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Business, Development & Employment which updated Members on the strategy for economic development that was launched in May 2016, progress to date and the proposal to increase the size of the Growth Fund by a further £30m, creating a Fund of £50m.

It was reported that over the last 3 years more than £150m of business investment in the borough and the creation or safeguarding of more than 2,000 jobs had been seen from the Council's business winning and business supporting approach. Members noted the key highlights, which included:

- the £83m investment by the Ministry of Defence into the logistics hub at Donnington;
- inward investment from major manufacturing businesses -
 - WZ (Moneta) Packaging,
 - The Recycling Group,
 - XYZ and
 - Filtermist who invested in Telford's flagship investment site, T54;
- significant expansions by existing Telford businesses-
 - BAE Systems,
 - Stadco,
 - Craemer and
 - Heinz.

In order to underpin the Enterprise Telford offer to business the Council had established a £20m Growth Fund which was being used to invest directly into land and property enabling local businesses to expand and draw in new investors. The investment fund was delivering new jobs and with £14.7m already committed to borough wide schemes, was set to deliver a gross income of £1.2m pa and a net income after borrowing of £400k pa - plus further income from growth in business rates. The investment was having an impact across the Borough and would enable the delivery of a further 1000 jobs.

The Fund had enabled the multi million pound investment by Magna International at T54, which would deliver in excess of 300 jobs and safeguarded more than 160 jobs in Newport following the Council's acquisition of the Audley Avenue Industrial Park.

Members noted that the first phase of Enterprise Telford had not only generated income, secured jobs and stimulated enterprise, benefitting all parts of the borough but importantly it was increasing the Council's asset base, which had been deficient historically. It also supported the Council's Strengthening Families strategy and created aspiration amongst young people in the borough. Tangible benefits could be demonstrated in the business and enterprise nationally and internationally attracted to the area and Members noted the positive feedback given by businesses reproduced in the report.

The proposal to increase the size of the Growth Fund by a further £30m would create a Fund of £50m. The potential gross return from the £50m Fund would be £3m pa - £1m pa net of borrowing, plus further growth in business rates which would help the Council to address the impact on frontline services from the ongoing reduction in Government grant. The Telford Growth Hub was the focus for engaging with investors and delivering wide ranging business support with hot desk facilities for start-ups. In less than 12 months the Hub had engaged with over 1500 people and 250 businesses had visited and used the facilities.

RESOLVED:

- (a) that the success of the Council's business winning and business supporting approach and the opportunities being generated through the Enterprise Telford campaign be noted;**
- (b) that an increase of £30m in the Growth Fund, to facilitate the expansion of the PIP as set out in the report, be approved and authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Lead for Council Finance, Partnerships and Commercial Services to consider and approve each business case for investment.**
- (c) TO RECOMMEND TO COUNCIL that the PIP be granted approval to undertake prudential borrowing to undertake the acquisition and disposal of PIP assets and/or investments in strategic infrastructure, following approval of the business cases as outlined in the report**
- d) TO RECOMMEND TO COUNCIL that the necessary changes to the capital programme and revenue budget to facilitate the ongoing rationalisation of the PIP and strategic investments as outlined in the report be approved**
- e) the continuation and extension of the Telford 'Deal for Business' be approved and authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance, Partnerships & Service Delivery, to enter into agreements with businesses in line with the terms set out in the Cabinet Report of 27th March 2014**

- f) authority be delegated to the Assistant Director: Governance, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in the report.

CB-041 Shropshire Hills Area of Outstanding Natural Beauty (AONB) - Proposal for the creation of an independent Conservation Board

Non Key Decision

Cllr R A Overton, Cabinet Member: Housing, Leisure & Health presented the report of the Assistant Director: Business, Development & Employment which provided Members with details on a proposal by the Shropshire Hills AONB Partnership, of which TWC is a member, to move to a new structure based on the establishment of an independent Conservation Board. Endorsement had also been sought from Shropshire Council's Cabinet.

This independent structure would allow the Shropshire Hills AONB Partnership to attract additional grant funding and to explore further opportunities to become financially sustainable in the long term. As an independent body it would also give the Partnership greater identity and potential to lobby for investment. A detailed business case had been prepared by the Partnership and was appended to the report.

Members noted that where the proposal was supported by both Councils and a recommendation was made to DEFRA to move to an independent structure - the AONB Partnership would run a wide ranging public engagement across the whole of the designated area to seek input from communities and businesses which were not currently engaged in the existing AONB Partnership. It was anticipated that this engagement, along with input from the two local authorities, the existing partnership and formal advice from DEFRA, would shape the vision and scope of the Conservation Board.

RESOLVED that:

- (a) support for the proposal to create a Conservation Board as a new structure for the management of the Shropshire Hills Area of Outstanding Natural Beauty be approved;**
- (b) it be approved that Telford & Wrekin Council write jointly with Shropshire Council to Defra, requesting that Defra draft the Parliamentary Order required under the Countryside & Rights of Way Act (2000) for the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty;**
- (c) authority be delegated to the Assistant Director: Business, Development & Employment (and any officer authorised in writing by that Assistant Director) to exercise all of the Council's powers regarding the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty.**

CB-042 Highway Asset Management Policy & Strategy

Non Key Decision

Cllr A D McClements, Cabinet Member: Transport, Customer & Neighbourhood Services presented the report of the Assistant Director: Customer & Neighbourhood Services, which highlighted the vital role that the highway network; roads, footpaths, street lighting, bridges and other highway assets play in supporting the Borough's communities and businesses. It was noted that it was also the Borough's most expensive asset to maintain. In support of this the Council had developed a vision for the highway network, transforming the way the service was delivered. The highways vision for Telford & Wrekin was outlined in the report 'Keeping Telford Moving'.

The Cabinet Member reported on the Highway Asset Management Policy & Strategy that had been developed setting out the newly developed vision for highways in the Borough as well as the Council's approach to implementing asset management. The report sought approval of the Highway Asset Management Policy & Strategy appended to the report. Members noted that the Government's formula for allocating funding had changed and therefore the adoption of the policy and strategy would ensure the Council could maximise available highway maintenance funding.

The overarching aim of the vision 'Keeping Telford Moving' formed the basis of the Asset Management Policy and Strategy which linked corporate priorities with asset management principles. The document focused on 12 key asset management policy objectives along with a delivery strategy for each.

RESOLVED that

- (a) the Telford & Wrekin Highway Asset Management Policy and Strategy and its supporting appendices be approved;**

- (b) authority be delegated to the Assistant Director of Customer & Neighbourhood Services (and any officer authorised in writing by that Assistant Director) to prepare documents and develop, agree, adopt and implement policies, strategies and capital programmes in accordance with the provisions of the Highway Asset Management Policy & Strategy and its Appendices.**

The meeting ended at 5.32pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 19th October 2016

Signed:

Date:

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 15 September at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 21 SEPTEMBER 2016

(DEADLINE FOR CALL-IN: MONDAY, 26 SEPTEMBER 2016)

Present: Councillors S Davies (Leader and Chair), L D Carter, E A Clare, A R H England, A D McClements, R A Overton, G C W Reynolds, H Rhodes, and P R Watling.

Also Present: Councillors A J Eade (Conservative Group Leader), and Peter Scott (Liberal Democrat/ Independent Group)

CB-025 Apologies for Absence

W L Tomlinson (Liberal Democrat/Independent Group Leader).

CB-026 Declarations of Interest

None.

CB-027 Minutes

RESOLVED – that the minutes of the meeting held on 21 July 2016 be confirmed and signed by the Chair.

CB-028 Library Service Reconfiguration

Key Decision identified as Reconfiguration of the Library Service in the Notice of Key Decisions published on 17 August 2016.

Councillor E Clare, Cabinet Member: Culture, Sports, Parks and Green Spaces presented the report of the Assistant Director: Customer and Neighbourhood Services.

Members were reminded that in January 2016 as part of the budget strategy and savings exercise, proposals were put forward to close six of the Council's nine libraries, (Newport, Madeley, Stirchley, Hadley, Dawley, and Donnington) plus the mobile library and reduce the book fund, to help contribute towards the £30m savings target set for delivery before 2017. As a result of this first round of public consultation, a number of Town and Parish Councils along with HLC learning community indicated that they would be interested in running their local library as community led libraries. Additionally, Cabinet decided to continue to run and operate Newport Library and Madeley Library with reduced opening hours. These libraries,

A

along with libraries at Southwater and Wellington provided a First Point service which would be difficult to replicate under a Community lead library model.

A further consultation was undertaken during June – July 2016 that shaped proposals as follows:

- that the Council would no longer operate libraries in Dawley, Donnington, Hadley and Stirchley and to open new community led libraries in the respective Town and Parish Councils areas in partnership with HLC learning community for at least six years
- the council would provide a package of support in terms of ICT and stock from the Council book fund as outlined in the report
- the Council would continue to operate and run Southwater, Madeley, Newport and Wellington Libraries with reduced opening hours and staffing levels from Autumn 2016
- from October 2016 Oakengates Library would continue to be run by the Council as it is part of Oakengates theatre however it would be open fewer hours during the week. Oakengates Town Council had agreed to fund the opening of the library on Saturday mornings when the theatre was not due to open and those days would be operated by Library staff
- the mobile library service would cease to operate from 31st March, 2017 as no organisation had come forward to support its continuance.

The Cabinet Member for Culture, Sports, Parks & Green Spaces expressed her thanks to the Parish and Town Councils and the HLC Learning Community that had shown support for local library services and put forwards proposals to open community led libraries in Dawley, Donnington, Hadley and Stirchley. The Cabinet Member also appealed to Councillors to consider donations from their respective Community Pride Funds to the Book Fund.

Members noted the proposals to meet the savings targets and that important services such as First Point continued to operate in Newport and Madeley libraries as they would continue to operate as Council run libraries alongside Southwater and Wellington libraries. Concerns were expressed about the mobile library service being discontinued as no providers had come forward, but it was noted that there was still time, until 2017 for the provision to be met. It was also noted that the loss of the mobile library service was mitigated to an extent by online access to the library service, such as 24 hour library and eBooks/eAudio.

RESOLVED that -

- a) libraries including a First Point Service at Southwater, Wellington, Newport and Madeley Libraries continue to be operated and managed by the Council, be approved**
- b) the Council continues to operate Oakengates Library which remains part of Oakengates Theatre and staffed and run by the theatre team on a day to day basis continues to be operated by the Council; that Dawley, Stirchley, Hadley and Donnington libraries close by the end of this year as council run libraries, be approved**

- c) **partnership funding deals be provided by the Council to assist the respective Town and Parish Councils listed in 1.2 and HLC learning community to set up and run new community lead libraries in Dawley, Stirchley, Donnington & Hadley, which would help to sustain library provision in those areas for at least the next 6 years and assist the council to achieve the library savings target, be approved.**
- d) **in addition to the partnership funding deals the Council provides arm's length support to the new community lead libraries by sharing the use of the current library loans ICT system, provision of new book stock, help to refresh book stock and support to train new volunteers required to staff the new community lead libraries**
- e) **it be approved from 31st March 2017 the mobile library service ceases to operate if no organisation comes forward in that timescale with a firm proposal to run it.**
- f) **it be approved from Autumn 2016 the four remaining core Council run libraries (Southwater, Wellington, Madeley & Newport) including Oakengates Library amend their opening hours as described in the report and informed by public consultation to help achieve the savings target**
- g) **the introduction of the new charges as described in the report be approved.**
- h) **the proposal that Madeley Library relocate into Anstice Memorial Hall, or another community run facility in the future, subject to ongoing negotiations with Madeley Town Council be approved.**

CB-029 Marches Growth Hub & Marches Building Investment Grant

Key Decision identified as Marches Growth Hub ERDF Project in the Notice of Key Decisions published on 17 August 2016.

Councillor L Carter, Cabinet Member: Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Business, Development and Employment, which provided Members with details of the two new coaching and funding programmes which would support c. 800 small and medium sized businesses across the Borough to expand; and new entrepreneurs to set up in business, increasing employment opportunity and driving innovation.

Following a joint bid for funding under the European Union 2014-2020 Structural Funding Programme (ESIF) by the three Marches LEP Local Authorities, the Marches Growth Hub project would support the delivery of business support activity through the three physical Growth Hubs including the Telford Growth Hub and the Marches Building Investment Grant would create a capital grant programme for business to facilitate the growth of small and medium sized enterprises (SME's) in the Marches area. Both projects awaited the issue of Funding Agreements by DCLG.

A

The target start date for both was October 2016; however Members noted that this may slip if Government authorisation was not received in sufficient time to commence delivery.

The projects would complement the Business Growth Programme, a package of grants for SME's managed by Birmingham City Council and in which the three Marches local authorities were partners. Taken as a suite of complementary business support, across the Marches these projects would support more than 100 new businesses to start up, almost 700 businesses to expand through support and coaching and mentoring activity and support the creation of at least 400 new jobs.

The Cabinet Member for Finance, Partnerships & Commercial Services noted that the projects demonstrated the Council's commitment to grow the local economy and create local jobs, furthermore, that funding honoured following Britain's exit from the EU was invaluable; and it was hoped that this would continue after 2020.

RESOLVED –

- a) that the Council act as Accountable Body and Project Manager for the Marches Growth Hub Project and the signing of a Funding Agreement with DCLG be approved.**
- a) that the Council becomes a Partner in the Marches Building Investment Grant Project and the signing of a Partnership Agreement with Herefordshire Council be approved**
- b) authority be delegated to the Assistant Director Business, Development & Employment and the Assistant Director Governance, Procurement and Commissioning, to enter into the necessary Funding and Partnership Agreements.**

CB-030 Enterprise Telford – Skills for Growth

Non Key Decision

Councillor G Reynolds, Cabinet Member: Education, Employment and Regeneration, presented the report of the Assistant Director: Business, Development and Employment, which provided Members with an update on the success of the Job Box initiative launched in 2014 to tackle youth unemployment, and the extension through the Skills to Employment programme launched in 2015 preparing young people from school age for the world of work and strengthening engagement with the Borough's schools.

Members noted that through two initiatives, Life Ready Work Ready and Job Box, the Skills to Employment Programme aimed to ensure that every 16-24 year old seeking employment or training was fully supported and to decrease the Borough's youth unemployment levels in line with national levels by the end of 2015/16. It was also noted that Job Box had been recognised by Ofsted as an example of good practice. Members were provided with details of the next phase of development for the Life Ready Work Ready and Job Box; with the focus of Job Box on increasing

A

the integration of employment support service offers from other organisations so that the Job Box becomes the main portal for individuals to all employment and training support services in the Borough and addressing its sustainability.

The Cabinet Member for Education, Employment and Regeneration, highlighted the Council's recently published Economic Development Strategy, Enterprise Telford: Driving Growth and Prosperity which recognised the need to further align the skills of the workforce to business needs and opportunities. It was noted that in consultation with businesses across all sectors at a local, regional and national level, the skills gap was one of the most significant issues affecting business performance, with skills gaps at all levels but particularly at a higher level with businesses across all sectors identifying a shortage of technological, managerial and professional skills.

In response to this clear message from business, it was proposed that the Council launch a third initiative under the Skills to Employment Programme – Enterprise Telford Skills for Growth. The initiative would create a streamlined, single programme and point of access for businesses to information and individually tailored packages of support that aimed to help them to address their skills gaps, develop their own workforce growth strategies and to address their management and leadership challenges. Delivery would be through the Telford Growth Hub enabling business to benefit from the wider, tailored support packages provided by the Council Growth Hub Team and partners including Wolverhampton University

Members noted that within the Economic Development strategy the Council had made a commitment to improve the skills talent pool across the Borough and to make it more relevant to business; to deliver a skills brokerage service that would strengthen links between business and schools and training providers, remove barriers to engagement between businesses and schools and create bespoke solutions for businesses across all sectors to meet business skills and training needs.

RESOLVED that -

- a) **progress made to date against the Skills to Employment Programmes be noted**
- b) **the launch of Enterprise Telford - Skills for Growth be approved; and**
- c) **responsibility be delegated to the Assistant Director, Business, Development & Employment in consultation with the Lead Cabinet Member for the development and launch of the initiative.**

CB-031 Local Development Order – Householder Extensions and Alterations

Non Key Decision

Councillor R A Overton, Cabinet Member: Housing, Leisure and Health presented the report of the Assistant Director: Business, Development & Employment which

A

provided Members with details of the proposed consultation on the introduction of a Local Development Order (LDO) which related to the number of householder planning applications submitted across the Borough. Members noted that the introduction of the LDO had been agreed as part of the budget strategy approved by Full Council on 3 March 2016.

The proposed Local Development Order (LDO) would enable a number of general types of applications for two storey and single storey extensions, in addition to other minor alterations to residential properties that are deemed to be non-controversial to be approved without the requirement for an application for planning consent to be made. However, there would still be a requirement to apply to the LPA for a Certificate of Compliance under the LDO which would be a more straight forward process that would provide certainty and would speed up the implementation of development.

In response to a question regarding the notification process to neighbours, it was confirmed that applications made under the LDO would be appropriately notified to neighbours and that details of all planning applications that met the LDO criteria would be uploaded to the website. The Cabinet Member for Housing, Leisure & Health noted concerns about the management of planning application objections and encouraged Members to respond to the consultation, to allow for such concerns to be considered and addressed when the policy was shaped.

RESOLVED that –

- a) authority be delegated to the Assistant Director: Business, Development & Employment and any other officer authorised by that Assistant Director in writing, to draft and consult on the proposed three year Borough of Telford & Wrekin Householder LDO**
- b) following the consultation period, the proposed LDO as amended (if required) be presented to Cabinet for approval**

CB-032 Representation on Outside Bodies 2016-17

Non Key Decision

The Leader, Councillor S Davies presented the report of the Assistant Director: Governance, Procurement and Commissioning which provided details about a request for Council representation on three outside bodies for the first time until the 2019 borough elections. The outside bodies formed 'Joint/Community Use' Management Committees developed as part of the Building Schools for the Future (BSF) programme in respect of the three shared Council/Academy sports and Leisure Facilities at

- Oakengates Leisure Centre
- Telford Park Academy
- Telford Langley Academy

A

Nominations had been sought from all Groups. The Leader proposed that it was appropriate for Members with direct Ward interest to represent the Council on the aforementioned committees.

RESOLVED that the following representatives be appointed until the end of the 2018/19 municipal year;

- (a) **Oakengates Leisure Centre Joint/Community Use Management Committee – Cllr S J Reynolds;**
- (b) **Telford Park Academy Joint/Community Use Management Committee – Cllr C R Turley; and**
- (c) **Telford Langley Academy Joint/Community Use Management Committee – Cllr K S Sahota**

The meeting ended at 17.34

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 21 September 2016

Signed:

Date:

TELFORD & WREKIN COUNCIL

**CABINET – 13 OCTOBER 2016
COUNCIL – 24 NOVEMBER 2016**

2016/17 FINANCIAL MANAGEMENT REPORT

REPORT OF THE ASSISTANT DIRECTOR: FINANCE & H.R. (CHIEF FINANCIAL OFFICER)

LEAD CABINET MEMBER: CLLR LEE CARTER

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2016/17 Revenue

The net projected outturn position for 2016/17 is estimated to be within budget. This is after applying £3.2m available in central contingencies, pending any further commitments in the rest of the year; and after using the specific contingency of £2.5m earmarked in the 2016/17 budget strategy for Early Help & Support pressures and the one off service balances totalling £0.5m for Children's Safeguarding.

This is an improvement on the previous report and reflects the strength of the financial management despite the level of savings taken out of budgets in 2016/17 and previous years. The aim is that senior managers will sustain this position and make further improvements where possible by year end

Despite the Government's commitment to give a Four Year Grant Settlement, the funding outlook for the medium term is still very uncertain due to the number of changes in the pipeline which sit outside the Revenue Support Grant process. However it is anticipated that the Council will need to identify a further £15-20m savings by the end of 2019/20 on top of the £12m already identified for 2017/18, so it is important that we maintain our excellent track record in managing budgets and maximise the position in 2016/17 which will assist in future years. Work is currently underway to develop a range of options for further savings which will feed into the budget strategy next year. It is inevitable that many of these new savings proposals are likely to have greater front line service impacts than the savings made to date which have focussed on driving down staffing levels and other costs and improving efficiency within the organisation.

Children's Safeguarding and Early Help & Support continue to be key areas of pressure and both have cost improvement plans in place to reduce costs and deliver savings. These plans are monitored on a regular basis both by senior managers and Cabinet Members.

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

- A benefit of £2.5m relating to Treasury Management activities - the majority of which relates to benefits from low interest rates for short term borrowing and the current Treasury Management Strategy of keeping the majority of new borrowings very short term. Clearly at some point the Council will need to start to lock in to longer term fixed rates but to do this before longer term interest rates start to increase incurs a “cost of carry” compared to the current strategy although there is a risk that longer-term fixed rates (as opposed to base rates) may start to move upwards quickly at some point. This position is monitored regularly by senior finance staff and advice is taken from the Council’s external treasury management advisors.
- A one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd.
- Early Help & Support are currently projecting an overspend of £3.7m, mainly relating to the cost of care packages. This is an improvement of over £03.m compared to the position reported in July. A cost improvement plan is in place to deliver savings which should reduce this as the year progresses.
- Children’s Safeguarding also continues to be a key pressure with an overspend of £2.8m being reported, the majority relating to the cost of Children in Care placements. A cost improvement plan is in place to review costs and the placement strategy.

1.2 **Capital**

The capital programme totals £92.3m which includes all approvals since the budget was set. At the time of compiling this report projected spend was 93% of the budget allocation.

There are some new allocations, virements and slippage identified which will go forward to Full Council in November for formal approval.

1.3 **Corporate Income Collection**

Sales Ledger and Business Rates collection are ahead of the targets set. The level of outstanding Council Tax debt is slightly behind the target set for the year.

2.0 **RECOMMENDATIONS**

2.1 Cabinet Members are to:-

- (i) Note that 2015/16 revenue spending is currently projected to be within budget and continue to work with SMT to sustain this position;
- (ii) Note the position in relation to capital spend and that Cabinet recommend that Council approve the new allocations, virements and slippage detailed in Appendix 3;
- (iii) Note the collection rates for NNDR, council tax and sales ledger.

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Delivery of all priorities depend on the effective use of available resources. Regular financial monitoring in the financial management reports helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within the budget set for 2016/17 at 31/3/17.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and ensure that the Council takes action if overall net overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4.0 2016/17 REVENUE BUDGET

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

4.2 The main changes since the last report are:

Variations - £m	Cabinet 21/7/16	Change	Current Projected Variation
Children in Care Placements – continued pressure relating to the cost of safeguarding vulnerable children.	+1.375	+1.277	+2.652
Safeguarding Assessments – increased costs associated with a significant increase in Parenting Assessments placed externally.	0.000	+0.228	+0.228
Early Help & Support – the ongoing cost pressure is lower than the previous report due to a reduced payment to the CCG relating to ALD contracts.	+6.211	-0.874	+5.337
Early Help & Support – shortfall which reflects reduced income from the CCG relating to Continuing Health Care costs.	+0.135	+0.945	+1.080
Early Help & Support – employee/restructure savings	+0.166	-0.410	-0.244
Waste & Neighbourhood – additional recycling costs due to increased tonnage from waste.	-0.056	+0.359	+0.303
Treasury Management – ongoing benefits arising from current low short-term interest rates and lower than anticipated borrowing requirement.	-1.500	-1.000	-2.500
Other Variations	-2.961	-0.689	-3.650
Total Projected Variation	+3.370	-0.164	+3.206
Call on Contingency	-3.370	+0.164	-3.206
Final Projected Variation	0.000	0.000	0.000

4.3 The overall 2016/17 budget position is summarised in the table below:

Service Area	21 July Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	0	0	0
Finance & HR	(1,375,000)	(2,553,384)	(1,178,384)
Cooperative Council Team	0	(85,242)	(85,242)
Children's Safeguarding	1,091,994	2,840,150	1,748,156
Education & Corporate Parenting	340,817	372,871	32,054
Early Help & Support	4,002,947	3,690,356	(312,591)
Legal, Procurement & Commissioning	(74,989)	(178,615)	(103,626)
Health & Wellbeing	89,877	8,689	(81,188)
Customer & Neighbourhood Services	(336,720)	(239,395)	97,325
Commercial Services	280,000	0	(280,000)
Council Wide	(649,000)	(649,000)	0
Total Projected Variation	3,369,926	3,206,430	(163,496)
Use of Contingency	(3,369,926)	(3,206,430)	163,496
Total Projected Underspend	0	0	0

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

Service Area	Variance £m
<u>Business, Development & Employment</u>	
Development Management & Planning Policy – net additional planning application income.	-0.100
Estates & Investments – shortfall relating to Property Investment Portfolio income and service charges.	+0.175
<u>Finance & HR</u>	
Treasury –this includes the benefit arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year.	-2.500
Employee Costs – shortfall in delivery of saving target due to the retention of some essential user allowances and phasing-in of reductions to mileage rates resulting in a part-year impact in 2016/17.	+0.125
<u>Cooperative Council Team</u>	
There are currently no variances over £100k to report.	

<u>Children's Safeguarding & Independent Review</u>	
Children in Care Placements (CiC) – currently projecting £2.652m overspend in 2016/17 which compares to £1.7m reported at 2015/16 year end and an increase of £1.3m since the last monitoring report. The Service is developing a cost improvement plan for 2016/17 to assess placement costs which will include reviewing unit costs, the numbers of children in care and the placement strategy.	+2.652
Internal Foster Carer Costs – payments to Foster Carers including transport costs and foster carer training.	+0.168
Staffing (Safeguarding) – includes the cost of agency social workers.	+0.266
Care Leavers Accommodation Costs – projecting to be under budget which is based on activity levels.	-0.118
One off Service Balances – use of one off service balances to support Safeguarding pressures.	-0.500
Assessment – the overspend reflects a significant increase in Parenting Assessments placed externally.	+0.228
<u>Education & Corporate Parenting</u>	
Specialist Services – savings target not fully met.	+0.266
Advisory Management/School Improvement traded Advisory Service – shortfall against additional income target; the position will be kept under review as the service goes through reorganisation.	+0.183
School Transport – the overspend relates to 2016/17 savings targets not currently being achieved together with an increase in the number of students requiring transport.	+0.158
Education Services Grant – fewer academy conversions than forecast resulting in less grant being lost.	-0.160
Contribution from Reserves – one off balances	-0.200
<u>Early Help & Support</u>	
Purchasing budgets – the pressure experienced during 2015/16 is continuing in 2016/17. The cost has fallen since the last report which is due to a reduced payment to the CCG relating to ALD contract costs. A cost improvement plan is in place which includes a number of strategies to reduce demand and deliver care differently which should result in lower costs. At this stage there has been limited progress although reductions in demand are generally being maintained.	+5.337

Contingency – included in the budget strategy for 2016/17 and 2017/18 to allow time for the service delivery changes to embed.	-2.500
Income – largely relates to a shortfall of income generated from the CCG associated with Continuing Health Care costs.	+1.080
Transport – transport is being considered as part of the cost improvement plan as it is part of the policy relating to the future delivery of care.	+0.155
Social Work Prevention & Support/Children, Family Location Services/Cohesion/Youth & Innovation/Business Support & Management – staff savings arising from restructuring activity across these service areas.	-0.244
<u>Legal, Procurement & Commissioning</u>	
There are no variances over £100k to report.	
<u>Health & Wellbeing</u>	
There are no variances over £100k to report.	
<u>Customer & Neighbourhood Services</u>	
Concessionary Travel – saving relating to a predicted reduction in passenger numbers.	-0.128
Waste & Neighbourhood Services – additional recycling costs due to increased tonnage from waste.	+0.303
<u>Commercial Services</u>	
ICT – pressure mainly arising from the increased number of Microsoft licenses required across the council.	+0.272

CONTINGENCIES

- 5.1 The 2016/17 budget includes a prudent general contingency of £3.222m, which is set aside to meet any unforeseen expenditure, or delays in phasing in the significant level of savings that the Council has to deliver this year. There is also an amount held centrally for contractual inflation totalling £2.201m which forms part of the approved revenue budget and will only be allocated to specific budgets when the relevant inflation information is available. Given the exceptional cuts being made in the Council's budget it is imperative that the Council has a reasonable level of contingency in order to cover increases in demand for services (e.g. safeguarding which can be significant and occur with no warning) and to allow for any delays or shortfalls in the delivery of planned savings. The current position relating to contingencies is shown below:

	£'000
General Revenue Contingency	3.222
Inflation Contingency	2.201
Total Contingencies	5.423
Commitments:	
Approved 21 June Cabinet: Resources required in relation to the recommendations from the Scrutiny Review of Child Sexual Exploitation (16/17 is a part year impact; the full cost is £0.150m which will be included in the 17/18 budget strategy)	0.100
Required to meet the current revenue overspend	3.206
Residual Balance	2.117

Currently £3.2m of the contingency is required to bring spend within budget in 2016/17 and £0.1m is committed. This leaves just over £2.0m available to meet any unforeseen costs in the remainder of the year.

6.0 CAPITAL

6.1 2016/17 Capital Programme

The capital programme totals £92.3m, which includes the approvals proposed in this report.

The financial position is shown in the table below which shows projected spend is currently shown at £86m (reflecting likely requirements for some further slippage of spend into later years in future reports).

Service Area	Current Budget	Spend to Date	% Spend	Year End Projection
	£m	£m		£m
Early Help and Support	1.0	0.0	0%	0.3
Development Business & Employment	29.5	5.2	18%	27.4
Customer & Neighbourhood Services	34.0	3.7	11%	31.3
Education & Corporate Parenting	14.1	2.8	20%	14.9
Health & Well-Being	0.8	0.1	13%	0.7
Co operative Council & Commercial Delivery	6.0	0.0	0%	6.0
Legal Procurement & Commissioning	0.1	0.0	0%	0.1
Finance & Human Resources	0.3	0.0	0%	0.1
Commercial Services	6.6	1.5	23%	5.3
Total	92.26	13.3	14%	86.0

6.2 Some new allocations, virements and slippage are identified for approval which are detailed in Appendix 3.

6.3 Capital receipt projections are currently in line with budget and treasury management assumptions.

7.0 **CORPORATE INCOME MONITORING**

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

INCOME COLLECTION – August 2016				
	Actual	Target	Performance	Change in cash collected on last year
Council Tax Collection	46.75%	46.94%	0.19% behind target	+£2,067,090
NNDR Collection	49.51%	49.17%	0.34% ahead of target	+ £672,178
Sales Ledger Outstanding Debt	4.42%	5.95%	1.53% ahead of target	+£3,846,840

7.3 **Council Tax (£74.9m)**

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

Year end performance 2015/16	97.1%
Year End Target for 2016/17	97.1%

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

Month End Target	Month End Actual	Last year Actual
46.94%	46.75%	46.94%

Council Tax collection is behind target for August, but improvement has been made since July. The number of properties subject to council tax has grown by 1393 since this point last year, and the amount which the Council has to collect in council tax is £4.7 million more than August 2015.

7.4 **NNDR-Business Rates (£76.8m)**

The % of business rates for 2016/17 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year end performance 2015/16	98.3%
Year End Target for 2016/17	98.3%

Month End Target	Month End Actual	Last year Actual
49.17%	49.51%	49.17%

Collection is above target for August 2016 by 0.34%, and we have collected over £600k more than this point last year.

7.5 **Sales Ledger (£41.6m)**

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

The target percent is set relating to cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2016/17 are as follows:

Age of debt	Annual Target %	August 2016	
		£m	%
Total	5.95	1.84	4.42%

Sales ledger performance has improved over the last 12 months and we have set a stretch target this year to continue this improvement trend. We're just outside target at the moment, but have improved when comparing the performance to 12 months ago.

8.0 **PREVIOUS MINUTES**

03/03/16 – Council, Service & Financial Planning Strategy

16/06/16 - Cabinet, Service & Financial Planning Report – 2015/16 Outturn and 2016/17 Update

21/07/16 – Cabinet, 2016/17 Financial Management Report

29/09/16 – Council, 2016/17 Financial Management Report

9.0 **BACKGROUND PAPERS**

2016/17 Budget Strategy / Financial Ledger reports

Report Prepared by:

Ken Clarke, Assistant Director: Finance & HR (Chief Financial Officer) – 01952 383100;

Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2016/17 Projected Variations

Service Area	21 July Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	0	0	0
Finance & HR	(1,375,000)	(2,553,384)	(1,178,384)
Cooperative Council Team	0	(85,242)	(85,242)
Children's Safeguarding	1,091,994	2,840,150	1,748,156
Education & Corporate Parenting	340,817	372,871	32,054
Early Help & Support	4,002,947	3,690,356	(312,591)
Legal, Procurement & Commissioning	(74,989)	(178,615)	(103,626)
Health & Wellbeing	89,877	8,689	(81,188)
Customer & Neighbourhood Services	(336,720)	(239,395)	97,325
Commercial Services	280,000	0	(280,000)
Council Wide	(649,000)	(649,000)	0
Total Projected Variation	3,369,926	3,206,430	(163,496)
Use of Contingency	(3,369,926)	(3,206,430)	163,496
Total Projected Underspend	0	0	0

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
Development Management & Planning Policy	Income	(2,359,323)	(100,000)	Additional Planning application income projected based upon current phasing of applications, however the phasing is subject to change throughout the year. This is offset by costs associated with Planning Enquiries anticipated in 2017.
Inward Investment & Business Support	Employees	868,250	(75,000)	Early delivery of restructure saving.
Estates & Investment	Income	(6,519,620)	175,000	This reflects the net current projections for Service charge voids.
Total Business, Development & Employment			0	
Finance & HR				
Treasury Management		8,508,460	(2,500,000)	Benefits arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year.
Staffing Costs			125,000	Shortfall in delivery of saving target due to the retention of some essential user allowances and phasing-in of reductions to mileage rates resulting in a part-year impact in 2016/17.
Customer & Corporate Finance	Employees	873,025	(82,600)	Underspend from vacant posts which are being held vacant to contribute towards 2017/18 savings targets.
Variations Under £50k			(95,784)	
Total Finance & HR			(2,553,384)	
Cooperative Council Team				
Delivery & Planning	Employees	657,145	(77,121)	Underspend from vacant posts not being recruited to pending restructure launched in September 2016.
Variations Under £50k			(8,121)	
Total Cooperative Council Team		657,145	(85,242)	
Childrens Safeguarding				
Children in Care Placements		9,502,127	2,651,842	Children in Care Placements continues to add pressure to the Children's Safeguarding budget. Looked after Children total was 352 as at 29/08/2016 and increase of 3 within the reporting period. The 2015/16 reported outturn position was £1.7m overspent and at the end of the year there were 299 Children in Care. The budget strategy for 2016/17 included a budget increase of £1.4m for Children in Care (CIC) placements. The service is developing a Cost Improvement plan for 2016/17 to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy with the objective of targeting cost reductions against placements.

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Care leavers Accommodation costs		379,789	(118,291)	The 2015/16 reported outturn position was £0.135m overspent. The outturn projection reflects a significant reduction in placement costs.
Staffing		7,100,101	266,126	The final 2015/16 Safeguarding overspend on staffing was £0.9m. This included £0.69m overspend for agency staff. The budget strategy for 2016/17 included a budget increase of £0.6m. The projected outturn variance in 2016/17 for agency staff is an overspend of £0.32m. There were 13 agency staff at the end of July including 4 within the Family Connect Service. The budget includes £0.07m relating to salary savings which have yet to be achieved.
Internal Foster Carers costs (excluding salaries, fees and allowances)		301,457	168,160	Specific pressures include travel costs £93k; Foster Carer training £21k; Legal expenses & License fees £17k and Subscriptions £13k.
Joint Adoption Service		437,160	50,974	This position is based on the latest financial information made available by Shropshire County Council who host this service. Discussions are ongoing with them to seek to reduce this position.
Children not in Care / in Need costs		54,780	0	
One off Balances			(500,000)	One off service balances identified to support Safeguarding pressures
Assessment		250,565	228,000	The 2015/16 reported outturn position was £0.12m over spent. The outturn projection reflects a significant increase in Parenting Assessments placed externally. The service are currently undertaking a project to enable more assessments to be undertaken internally within existing resources
Variations under £50,000		3,474,629	23,625	
Independent Review		833,902	69,714	Net variance against salaries is £11k over. The significant pressure in this area is the cost of agency staff. Current projection for Agency staff is £55k against a budget of £0
Total Children's Safeguarding		22,334,510	2,840,150	
Education & Corporate Parenting				
Miscellaneous School Expenditure		7,605,254	35,650	A forecast over spend on remissions is being partly offset by lower forecast premature retirement contributions.
Specialist Services		592,643	266,188	The overspend in this area is due to savings targets not currently forecast to be achieved in 2016/17. Current monitoring indicates this will not be offset elsewhere.
Early Years & Childcare		270,427	85,962	Only part year salary savings target achieved in 2016/17 as restructure takes effect from September 2016. Further savings will be achieved in 2017/18 due to full year impact.
Joint/Community Use		125,255	51,557	A shortfall in income relating to Shortwood is being partly offset by a forecast reduction in net costs for other joint use areas.

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Advisory management and school improvement traded Advisory Service		304,225	183,460	Additional income target currently forecast not to be achieved in the context of the service's reorganisation, including part of the area moving to the Severn Teaching Alliance Teaching School from September 2016. The position of the service will be kept under review during the year as the impact of the new arrangements becomes clearer.
School Transport		2,755,093	157,970	The overspend in this area is due to the savings target not currently forecast to be achieved in 2016/17. Also reflects an increase in the number of students requiring transport, e.g. at Queensway
Education Services Grant		(1,820,185)	(160,039)	Fewer academy conversions now appear likely to take place in 2016/17 than forecast and one school's conversion has been delayed until later in the year.
Contribution from Reserves			(200,000)	One off application of Reserves
Variations under £50,000		1,662,296	(47,877)	
Total Education & Corporate Parenting		11,495,008	372,871	
Early Help & Support				
				Narrative to be revised
Purchasing	Provision of all types of care to eligible clients	42,188,894	5,336,828	The overall pressure has reduced by £875k since the last reported position, however £600k of this relates to a reduced payment (re ALD contracts) to the CCG following notice by them to reduce CHC related payments to the Council by £1.2m, which is reported within income below. There is continued pressure on the budgets determined for the delivery of care to adults. The projections reflect actual expenditure to the end of August and projections based on care orders in place at the end of August. This significant pressure is the subject of a Cost Improvement Plan(CIP) which is currently being reviewed and is likely to be revised. This includes a number of strategies to both reduce demand and transform the provision of care from traditional Community based support and placements to support packages based wherever possible on Direct Payments with care being delivered by Personal Assistants and other innovative personalised solutions to care. At the end of August there was limited progress against targets although reductions in demand achieved in 2015/16 are generally being maintained. There is a mixed picture on average prices with some areas still experiencing upward pressures, and others looking on average as though they have stabilised or fallen. Further work will be done as part of the CIP to identify the types of care and providers where pressures are arising in order to determine further actions.
Contingency		2,500,000	(2,500,000)	The Budget Strategy included this contingency as budgetary growth for 2016-18, the next two years. This contingency budget is a "Safety net" and is part of the strategy to transform the delivery of services.
		44,688,894	2,836,828	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Income		(16,376,986)	1,080,080	This shortfall in income includes a reduced CHC related payment from the CCG, historically, this has been an annual payment of £2.4m but the CCG have notified the Council that they intend to reduce this payment to £1.2m. The variation on client contributions is £98k above target.
Transport		666,406	155,905	Transport is a continued area of scrutiny. It is considered within the aforementioned Cost Improvement Plan and is an integral part of the strategy around the transformation of the delivery of care in the future. It is intrinsically linked to the future delivery of care discussed above in the paragraph on Purchasing care
Social Work prevention & Support	Staff & Staff related	5,247,101	(263,948)	Staff savings have been removed from budget, this variation is as a result of vacancies within the structure and these will potentially be realised as restructure savings once the final structure is determined following consultation
Children & Family Locality Services		1,746,073	318,499	Staff savings have been removed from budget, this variation is as a result of savings not yet realised but these will potentially be realised as restructure savings once the final structure is determined following consultation
Cohesion		2,366,041	(172,466)	Staff savings have been removed from budget, this variation is as a result of vacancies within the structure and these will potentially be realised as restructure savings once the final structure is determined following consultation
Housing Properties		(543,562)	(93,660)	Expectations of additional income over the target due to service charges and higher than expected occupation rates
Youth & Innovation		434,354	76,028	Staff savings have been removed from budget, this variation is as a result of savings not yet realised but these will potentially be realised as restructure savings once the final structure is determined following consultation
Business Support & Management		1,371,393	(36,110)	Staff savings have been removed from budget, this variation is as a result of vacancies within the structure and these will potentially be realised as restructure savings once the final structure is determined following consultation
Restructure Savings			(167,000)	Estimated savings over and above current vacancy savings already included above in Social Work, Cohesion and Children's and Families services. These savings arise from initial work done to evaluate the future costs of the latest proposed structure. This saving is based on a September 2016 launch and is modelled on a December 2016 implementation.
Variations under £50,000		3,366,132	(43,800)	
Total Early Help & Support		42,965,846	3,690,356	
Legal, Procurement & Commissioning				

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Strategic Procurement		744,626	(97,096)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Commissioning		2,444,870	(84,521)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Legal Services		0	30,337	A number of posts are being covered in Legal by locum staff and temporary arrangements and this is resulting in financial pressure on the service. The longer term prognosis is that the staffing structure will settle and will be met from within budgeted resources (net budget is zero as this is a recharged support service)
Variations under £50,000		440,865	(27,335)	
Total Legal, Procurement & Commissioning		3,630,361	(178,615)	
Health & Wellbeing				
Public Health				
Variations under £50,000		10,053,691	0	
Culture & Wellbeing				
Variations under £50,000		1,178,030	14,244	
Civil Resilience & Coroners Service				
Variations under £50,000		517,798	-	
My Options				
Variations under £50,000		260,947	(5,555)	
Total Health & Wellbeing		12,010,466	8,689	
Customer & Neighbourhood Services				
Service & Contract Development	Employees	641,540	(61,883)	Vacant posts which will not be recruited to due to forthcoming restructure
T & W Footpath Special Fund	Premises	1,186,500	(72,008)	Reduction in spend against planned maintenance due to the forthcoming upgrade of street lights pending the outcome of the tender process currently being undertaken.

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Concessionary Travel	Various	1,677,030	(128,106)	Saving from the main Arriva bus service. This is over and above the £100k saving put forward for 2016/17.
Waste & Neighbourhood Services	Various	3,761,157	303,363	Additional recycling costs due to increased tonnage from waste. Recyclates and landfill tonnages are projecting higher than anticipated based on current recycling levels.
Variations Under £50k	Various		(280,761)	Underspends due to vacant posts within Libraries which are being held vacant pending Library opening hours consultation
Total Customer & Neighbourhood Services			(239,395)	
Commercial Services				
ICT	Various	75,566	272,000	There are a number of pressures currently highlighted in ICT including: growth in the cost and number of Microsoft licenses, due to more employees using ICT to do their jobs effectively and the move to digitally enabled and mobile technology; network contract costs and software support costs (storage area network and back-up environment) are also higher than anticipated. Costs relating to the purchase of thick/thin/laptop client devices are also likely to create a pressure throughout the year.
Property & Design	Operational & Admin Buildings	7,667,403	(94,000)	Early closure of a number of properties in addition to one off reduced spend on R&M and Utilities.
Variations under £50,000			(178,000)	A number of one off savings across whole service area.
Total Commercial Services			0	
Council wide				
Transforming Telford Balance	One off Balance		(649,000)	Transforming Telford residual balance following closure of the company
Total Council wide			(649,000)	
Total Variations			3,206,430	

Capital Approvals - by Service Area

C1

Appendix 3

Virements						
Scheme	Service Area	Funding Source	16/17 £	17/18 £	Later Yrs £	Comment
Street Lighting Energy Programme	Customer & Neighbourhood Services	Prudential	(229,365.05)			
Footway Lighting Energy Programme	Customer & Neighbourhood Services	Prudential	(174,900.00)			
Highways & Bridges Capital Maintenance	Customer & Neighbourhood Services	Government Grant	(321,000.00)	(199,735.00)		
LED Lighting Invest To Save	Customer & Neighbourhood Services	Prudential	404,265.05			
LED Lighting Invest To Save	Customer & Neighbourhood Services	Government Grant	321,000.00	199,735.00		
Total			0.00	0.00	0.00	0.00

Slippage							
Scheme	Service Area	Funding Source	16/17 £	17/18 £	18/19 £	Later Yrs £	Comment
LED Lighting Invest To Save	Customer & Neighbourhood Services	Prudential	(404,265.05)	404,265.05			
LED Lighting Invest To Save	Customer & Neighbourhood Services	Government Grant	(321,000.00)	321,000.00			
Customer Services Systems Development	Customer & Neighbourhood Services	Prudential	(200,000.00)	200,000.00			
Property investment programme	Development Business & Employment	Prudential	800,000.00	(800,000.00)			
Housing	Commercial Services	Prudential	(500,000.00)	500,000.00			
Housing	Development Business & Employment	Prudential	(2,000,000.00)	2,000,000.00			
Housing Company -Housing	Development Business & Employment	Prudential	(409,000.00)	(6,375,000.00)	6,784,000.00		
Housing Company -Housing	Development Business & Employment	Capital receipts	(1,275,000.00)	1,275,000.00			
Housing Company -Housing	Development Business & Employment	External	(916,000.00)		916,000.00		
Managing the funding of the capital programme	Finance & Human Resources	Capital receipts	3,512,000.00	(3,512,000.00)			
Managing the funding of the capital programme	Finance & Human Resources	Prudential	(3,512,000.00)	3,512,000.00			
Capital receipts site preparation	Development Business & Employment	Capital receipts	(400,000.00)	400,000.00			
Ironbridge Gorge Stability	Customer & Neighbourhood Services	Prudential	(250,000.00)	250,000.00			
Total			(5,875,265.05)	(1,824,734.95)	7,700,000.00	0.00	

New Allocations					
Scheme	Service Area	16/17 £ £	17/18 £ £	Later Yrs £	Comment
LED Lighting Invest To Save	Customer & Neighbourhood Services		(925,000.00)		Prudential
All Other School Schemes	Education and Corporate Parenting	902,498.42			External
PRIDE - Investment in Highways	Customer & Neighbourhood Services	13,561.00			External
Total		916,059.42	(925,000.00)	-	

TELFORD & WREKIN COUNCIL

CABINET - 13 OCTOBER 2016

YOUTH JUSTICE PLAN 2016/17

REPORT OF THE DIRECTOR OF CHILDREN'S AND ADULT SERVICES

LEAD CABINET MEMBER – CLLR PAUL WATLING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

Youth offending partnerships have a statutory duty to produce an annual youth justice plan which is submitted to the Youth Justice Board for England and Wales in accordance with the directions of the Secretary of State,

The Youth Justice Plan is prepared on an annual basis on behalf of Herefordshire Council, Shropshire Council, Telford and Wrekin Council and Worcestershire County Council in accordance with the guidance “Youth Justice Plans: YJB Practice Note for Youth Offending Partnerships”¹

The Youth justice Plan sets out how youth justice services across West Mercia are structured and funded and identifies key actions to address identified risks to service delivery and improvement.

The plan outlines the partnerships priorities for 2016/17 and provides commentary on the three national performance indicators for youth offending services;

Rate of first time entrants to the youth justice system

- The rate has increased in three of four local authority areas between 2014 and 2015, but the reasons for this are unclear. One of the priorities in 16/17 will be to investigate this and establish the reasons behind the increased rates.

The number and rate of custodial sentences

- In 2015/16 there was one custodial sentence in Telford equating to a rate of 0.06, this compares favourably to the West Mercia rate of 0.14 and the national rate of 0.37.

The proportion of young people re-offending

¹ Youth Justice Board for England and Wales, April 2016.

- In the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014. The number of actual re-offences have therefore decreased by -50% between 2010 and 2014

The hosting arrangement for the service transferred to the Office of the West Mercia Police and Crime Commissioner from 1st April 2016. As part of the governance structures Telford & Wrekin council have delegated responsibility to oversee the implementation of the plan to the Community Safety partnership. This will support the delivery of the Youth Justice Plan by realigning local priorities with the Community Safety plan and the Police and Crime plan to reduce offending and reoffending. This will also work towards understanding behaviours related to offending that will manage demand on high cost services.

2. RECOMMENDATIONS

2.1	That the Youth Justice Plan 2016/17 be recommended to Full Council for approval and endorsement and that the West Mercia YOS responsibilities are noted.
2.2	That the Council delegates responsibility to the Community Safety Partnership to oversee the Implementation of the Youth Justice Plan.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<ul style="list-style-type: none"> • Put our children and young people first • Protect and support our vulnerable children and adults • Ensure neighbourhoods are safe, clean and well maintained
	Will the proposals impact on specific groups of people?	
	Yes	Young people already involved with offending or at risk of Offending
TARGET COMPLETION/DELIVERY DATE	The Youth justice plan is for 16/17 and the plan will be reviewed in the final quarter of 16/17 in order to prepare the Youth Justice Plan for 17/18.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>Telford & Wrekin is one of the constituent authorities in the West Midlands consortium. The service is hosted by the Office of the West Mercia Police and Crime Commissioner.</p> <p>The Council's 2016/17 Youth Offending Service budget is £267k. The individual Council contributions are based on the demand level placed on the service. This is an annual contribution that the Council pays for the delivery of the service by the OPCC.</p> <p>Adopting the strategy is not expected to incur any additional costs over and above the budgeted costs detailed above. However, the constituent authorities have indemnified risks undertaken by the OPCC and may be called upon to contribute further funds in the event of pressures on the budget if those pressures are not mitigated. It is possible that in pursuing the plan and improvements the constituent authorities</p>

		<p>could have to pay larger contributions than currently budgeted for.</p> <p>However, with current known information, there are no financial implications anticipated from adopting the recommendation of this report.</p> <p>RP-12.9.16</p>
LEGAL ISSUES	Yes	<p>Under Section 40 of the Crime and Disorder Act 1998 it is the duty of each local authority, after consultation with the relevant persons and bodies, to formulate and implement a youth justice plan for each year setting out how youth justice services are to be provided and funded in their area; and how the youth offending team or teams established by them (whether alone or jointly with one or more other local authorities) are to be composed and funded, how they are to operate, and what functions they are to carry out.</p> <p>The youth justice plan is required to be submitted to the Youth Justice Board and be published in such manner and by such date as the Secretary of State may direct.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Youth Justice Plan outlines actions to reduce offending and reoffending by young people
IMPACT ON SPECIFIC WARDS	No	Borough-wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Under section 40 of the Crime and Disorder Act 1998 each Local Authority has a duty to produce a Youth Justice Plan setting out how Youth Justice Services in their area are provided and funded and composed. The plan is submitted to the Youth Justice Board for England and Wales.

The Youth Justice Plan for 2016/17 was prepared in July 2016 in line with the guidance issued by the Youth Justice Board (YJB), agreed at the West Mercia Youth Offending Service Management Board on 18th August 2016 and will be submitted to the YJB by the end of September 2016.

Each Local Authority, in cooperation with Police, Probation and Clinical Commissioning Groups must put in place a Youth Offending service for their area, and in doing so the Local Authority may act together with one or more Local Authorities to establish a joint service for their area. Following a review of the delivery of youth justice services across West Mercia, undertaken in 2012, a decision was taken by the four Local Authorities in West Mercia to establish a joint Youth Offending Service and on the basis of further review undertaken in 15/16 a decision taken for the service to be hosted by the Office of the West Mercia Police and Crime Commissioner from 1st April 2016.

The plan identifies four main priorities² for 2016/17 as follows:

- (i) Improving Performance and Developing Practice
 - Implementation of a new case management system
 - Implementation of the new national assessment framework, AssetPlus
 - Reviewing and revising the quality assurance framework
 - Developing the curriculum of the junior attendance centres
 - Revising the management of risk processes
 - Evaluating a youth bureau approach for out of court disposal decision making
- (ii) Understanding our Young People
 - Analysis to determine the reasons behind the rising rate of first time entrants to the youth justice system
 - Build on the work undertaken in 15/16 to capture the voice of the service user and to ensure service users views are better represented at the service's management board
 - To further build on and develop the needs assessment and evidence base
- (iii) Improved Joint Working and Integration
 - Re-establish the Looked After Children reference group
 - Agree a multi-agency protocol to reduce offending by and the criminalisation of looked after children
 - Developing a new protocol with providers of probation services to ensure that the approach to the transition from youth to adult criminal justice services is informed by best practice and takes account of the recommendations of a thematic inspection by HMI Probation
 - Supporting West Mercia Police in their roll out of decision making forums for looked after children
- (iv) Governance and Communication
 - Transfer the hosting arrangement for the service to the Office of the West Mercia Police and Crime Commissioner
 - Agree and implement a revised service structure

² See pages 20 to 22 of the plan

Performance

The Youth Offending Service is subject to three national indicators:

- First time entrants to the youth justice system
- Use of custody
- Re-offending

Performance against the indicators is outlined in the plan and actions identified to address risks to performance improvement. The Telford and Wrekin specific information is set out on pages 37-41 of the plan.

- First time entrants to the youth justice system

The first time entrant rate is expressed as first time entrants per 100,000 youth population, a lower figure indicates good performance. The Telford and Wrekin performance was 641 for 2015, compared to 550 for 2014. The rate has increased in three of four local authority areas between 2014 and 2015, and the reasons for this are so far unclear. One of the priorities in 16/17 will be to analyse this data to establish the reasons behind the increased rates.

- Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 youth population; a lower rate indicates good performance. In 2015/16 there was one custodial sentence in Telford equating to a rate of 0.06, this compares favourably to the West Mercia rate of 0.14 and the national rate of 0.37.

- Re-Offending

There are two re-offending measures both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency rate, is the average number of re-offences per re-offender in the cohort. The second, binary measure as set by the Youth Justice board is the percentage of the young people in the cohort who have re-offended. In both measures a lower figure indicates good performance.

For the period July 2013 to June 2014 the frequency rate for Telford and Wrekin is 3.57. The percentage of young people who have reoffended for both measures in Telford and Wrekin for the same period is 33.6% which is similar to the rate for West Mercia, 33.4% and represents an improvement on the previous year when it was 34.2%.

It should be noted the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014. The number of actual re-offences have therefore decreased by -50% between 2010 and 2014

Following both the learning from a discretionary MAPPA serious case review published in 2015 and the Short Quality Screening Inspection of the service in 2015, the service have been implementing improvements particularly in relation to assessment and planning. Monthly auditing during 2015/16 has demonstrated continuing improvements in compliance to nine locally set standards in relation assessment, risk planning and the management oversight of these.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

The Principal aim of the Youth justice System is the prevention of offending and re offending by children and young people. The Youth justice plan sets out an action plan to address the significant risks identified to future service delivery and improvement.

6. PREVIOUS MINUTES

- Cabinet Report 23rd July 2015

7. BACKGROUND PAPERS

- West Mercia Youth Offending Service – Youth justice Plan 2016/17

Report prepared by:

Keith Barham, Head of West Mercia Youth Offending Service
Jas Bedesha Service Delivery Manager Cohesion Services

WEST MERCIA YOUTH JUSTICE PARTNERSHIP



YOUTH JUSTICE PLAN

2016/17



CONTENTS

1	Introduction	4
2	Review of 2014/15	6
3	Resources and Structure	14
4	Governance and Partnerships	18
5	Risks to Future Delivery – Annual Action Plan	24
6	Management Board Approval	26
Appendix 1	Area Profile – Herefordshire	27
Appendix 2	Area Profile – Shropshire	32
Appendix 3	Area Profile – Telford and Wrekin	37
Appendix 4	Area Profile – Worcestershire	42

1.0 INTRODUCTION

Introduction from the Karen Bradshaw, Chair of West Mercia Youth Justice Service Management Board and Director of Children Services, Shropshire Council



West Mercia Youth Justice Service (WMYJS) is partnership between the Local Authorities, National Probation Service, West Mercia Police, NHS organisations across West Mercia and the Office for the West Mercia Police and Crime Commissioner. The service is accountable to the WMYJS Management Board, comprised of senior officers from each partner agency. The service was established on the 1st October 2012 replacing the previous Shropshire, Telford and Wrekin Youth Offending Service and the Worcestershire and Herefordshire Youth Offending Service following a review of how youth justice services were provided across the West Mercia area. A second phase of the review, completed in 2015/16, has resulted in the decision for the service to be hosted by the Office for the West Mercia Police and Crime Commissioner from 1st April 2016.

As we enter 2016/17 the partnership faces a number of challenges which include a significant reduction in funding from central government, along with reductions from partner agencies and the intention to implement a major re-structure of the service during the first six months of the year. This is combined with change programmes to introduce a new case management and information system and implement a new assessment and planning framework over the same period. The partnership is additionally awaiting the publication of the Ministry of Justice's national review of youth justice, led by Charlie Taylor, which is likely to signal far reaching changes in youth justice policy and delivery.

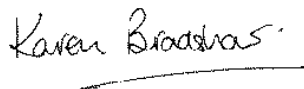
During 2015/16 WMYJS has, in particular, concentrated on improving the quality of assessments and plans following the findings of the Short Quality Screening of the service undertaken by HMI Probation in early 2015. Monthly audits have demonstrated a sustained improvement in the quality of assessment and planning throughout 2015/16. There is, however, a mixed picture in relation to performance against the national performance indicators. Performance in respect of the rate of young people receiving a custodial sentence has improved with the rate decreasing from 0.22 sentences per 1000 youth population in 14/15 to 0.14 in 15/16, this rate is significantly below national rate of 0.37. Although good progress has been achieved in reducing the number of young people receiving custodial sentences, the other two indicators, first time entrants to the youth justice system (FTEs) and re-offending have shown a slight deterioration, the FTE rate has risen from 431 per 100,000 youth population to 506 between 2014 and 2015, and the proportion of young people re-offending has increased from 30.7% for the July 2012 to June 2013 cohort to 34.7% for the July 2013 to June 2014 cohort, although this below the national rate which is at 37.7%. More detail on the national performance indicators is provided in section 2.7.

Although the FTE rate is to a large extent outside of the direct control of the youth justice service the service will be working with the Police during 16/17 to identify the main factors driving not just the increase but also the differences in the rates between the local authority areas in West Mercia. The service is piloting a bureau approach to out of court disposal decision making in Shropshire, and at the time of writing it is too early to ascertain whether this is having a positive effect on diverting young people from formal justice system sanctions, where it is appropriate to do so, but the management board look forward to receiving the evaluation of the pilot which is due at the end of the calendar year.

The re-offending rate is volatile and varies year on year in a range between 30% and 34% with no real overall trend either upward or downward. The service implemented a tool during 15/16, which tracks re-offending of current cases in real time, allowing for the review of interventions at the earliest point where re-offending occurs. The management board intends to have a focus on re-offending during 16/17 and has commissioned a report to form the basis of a themed meeting to identify further actions.

The management board welcomed the work undertaken by the service during 15/16 to capture the voice of the service user, this included a revised service user feedback process, the implementation of a new compliments, comments and complaints process and the use of the ViewPoint survey. Some summary feedback is given in section 2.6, but the headline statistic from the ViewPoint survey was that 88% of young people said that the work with the service had made them less likely to offend. Further work is required in 16/17 to ensure that voice of the service user is better represented at the management board. Some comments from service users or their carers are provided in speech bubbles throughout the body of this report.

The service and management board do not work in isolation in reducing offending by children and young people and improving the outcomes for children and young people who have entered or at risk of entering the youth justice system. The board is committed to promoting more integrated and joint work between the service and other agencies at the local area level, in particular with social care services, especially in relation to looked after children who are over represented in the youth justice system. In 16/17 the looked after children reference group of the board will be re-established. It is planned to agree a multi-agency protocol to reduce the offending by and the criminalisation of looked after children. Work is also planned with the National Probation Service to improve the arrangements for young people transitioning from youth to adult criminal justice services. Other key relevant plans are the Children and Young People's Plans, Community Safety Strategies and the Health and Wellbeing Plans for each area and the Safer West Mercia Plan. The management board recognise the need to make strategic alliances with other relevant boards and governance bodies.



Karen Bradshaw – Chair of West Mercia Youth Justice Service Management Board

2. REVIEW OF 2015/16

2.1 Changes in Service Delivery Arrangements

Following a review of service delivery arrangements undertaken during 15/16 the four Local Authorities and partner agencies agreed to transfer the hosting arrangements for the WMYJS to the Office for the West Mercia Police and Crime Commissioner from the 1st April 2016. The review agreed a new structure for WMYJS which is to be implemented during the first 6 months of 2016/17. A diagram of the new WMYJS structure is included in section 3 of this plan.

I felt my child was safe when they were with YOS (parent of service user)

2.2 Review of Key Developments 2015/16

The YOS Management Board agreed four main overarching priorities for 2015/16. The following were achieved during 2015/16.

(i) Priority 1 - Improving Performance and Developing Practice

- Monthly auditing of assessments and plans undertaken independently to teams line management was implemented which resulted in a increase in compliance to the service's quality standards
- The Junior Attendance Centre serving Worcestershire and Herefordshire was re-establishing following being closed since December 2014
- A short screening tool was developed to identify young people who are either at risk of becoming victims of child sexual exploitation (CSE) or potential perpetrators of CSE.
- Piloting a bureau approach to pre-court decision making in Shropshire
- The development of a new service Operations Manual which includes comprehensive recording guidance.
- The merger of ICT systems to bring the whole service onto a single ICT platform

(ii) Priority 2 - Understanding our Young People

- Tracking tools for re-offending, education, training and employment and victim work were developed and implemented.
- Through a newly established participation development group new service user feedback processes were put in place including end of intervention feedback questionnaires, the “Tell Us” comments, compliments and complaints process and a “Think Participation” resource was developed for practitioners.
- Further development of the annual WMYJS needs assessment

I stopped offending. Kept drinking to a minimum. I think before I do things now. (service user)

(iii) Priority 3 - Improved Joint Working and Integration

- Continued focus on joint issues between WMYJS and social care and Police for looked after children, in particular through the work of the Management Board sub group and participation in the Police LAC decision making process pilot in Shropshire.
- Piloting joint WMYJS and Children Social Care workshops in one authority area
- Agreement of a multi-agency protocol to ensure young people charged and denied bail are transferred to local authority accommodation

(iv) Priority 4 - Governance and Communication

- Completion of the West Mercia review of youth justices services with decisions to transfer the hosting of the YOS to the Office of Police and Crime Commissioner from 1st April 2016, and a agreed new structure to be implemented during 2016/17
- Joint management team and management board workshop based around the learning points from a discretionary serious case review
- Introduction of practice presentations at management board meetings
- Confirmation of a health (CCG) representative for the YJS management board.

2.3 Innovative Practice

WMYJS has been working with West Mercia Police in the Shropshire area to pilot an approach to decision making for LAC, particularly those in children homes where the offending has occurred in the context of the placement. The process is due to rolled out across the Police strategic alliance area of Warwickshire and West Mercia during 2016/17. Although not innovative in itself WMYS has been piloting a bureau approach to pre-court decision making in Shropshire which compliments the work of the LAC forum.

2.4 Thematic Inspections

During 2015/16 the WMYJS Management Board has considered the findings from the following thematic inspections; A Inspection to Assess the Effectiveness of the Reporting, Monitoring and Learning from the Youth Justice Boards Community Safeguarding and Public Protection Incident (CSPPI) Procedures and Transition Arrangements: A Follow Up Inspection. Processes are to be put in place to address the youth justice partnership and service specific recommendations in the CSPPI report and it has been agreed to develop a new local transition protocol with NPS which will take into account the recommendations of the transitions report.

2.5 Youth Offending in West Mercia

More detailed information on offending types, offenders by age and gender and numbers and offenders by proportion of youth population for each local authority area are contained in appendices 1 to 4 of this plan.

- In West Mercia there has been a 67% reduction in the number of young people committing offences over the past ten years from 3995 young people offending in 2005 to 1310 in 2015.

Case Study - Reparation Project

WMYJS were approached by a parish council and asked to renovate a bus shelter.



Following a risk assessment, four young people worked on the preparation phase



Meanwhile other young people made flower boxes at the workshop in Telford

This then all came together in a renovated bus shelter with uniform paintwork, varnished benches and a freshly painted interior.



The local community have been thrilled, are looking after the flower boxes and the Parish Council were very pleased with the work done. They have agreed to circulate this success to other parishes to increase the potential work available to young people in future.

- The majority (82.4%) of young people entering the youth justice system for the first time in 2015 were aged 14 or over
- Nearly a quarter (24%) of first time entrants to the youth justice system during 2015 were female
- The four most prevalent offence types are violence against the person, theft and handling, criminal damage and drug related offences.
- Just over a third of young people (36.3%) receiving outcomes in 2015 that required YOS interventions were children in care
- Whilst there are some variations across the local authority areas the four most prevalent assessed areas of risk and need are thinking and behaviour, family and personal relationships, lifestyle and mental health and wellbeing.
- Young people from outside of West Mercia have a significant impact on the levels of youth crime in West Mercia. Out of area young people were responsible for 15.2% of all offending resulting in a substantive outcome in 2015.
- In 2015 just under half (49%) of young people receiving outcomes that require YOS interventions have mental health or emotional well being issues.

2.6 Views of Young People

The following data is taken from a ViewPoint survey of 76 young people who were subject to court orders managed by West Mercia YJS undertaken during the last six months of 2015/16.

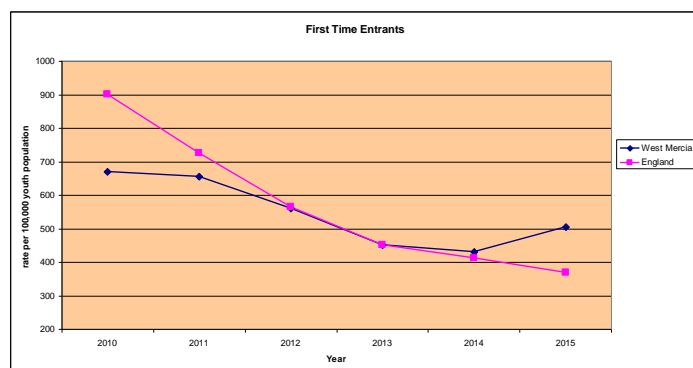
- 88% said that the work with the WMYJS has made them less likely to offend
- 97% said that the service given to them by the WMYJS was good most or all of the time
- 92% said they had enough say what went into their intervention plan
- 44% said they needed help with school, training or getting a job, of those needing help 90% said they received the help needed
- 29% said they needed help to cut down drug use and of those needing help 80% said they received the help needed.
- 19% said they needed help with relationships or things about their family, of those needing help 85% said they received the help needed.
- 19% said they needed help to deal with strange or upsetting thoughts, of those needing help 85% said they received the help needed
- 46% said they needed help to understand how to stop offending, of those needing help 97% said they received the help needed

2.7 Performance Review

Youth Justice Partnerships are subject to three national indicators;

- First Time Entrants (FTE) to the Youth Justice System
- Use of Custody
- Re-Offending

(i) First Time Entrants to the Youth Justice System (FTE)



The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (Youth Caution, Youth Conditional Caution or

Conviction). A lower figure denotes good performance.

The rate of FTEs across West Mercia for 2015 was 506, which is an deterioration on the performance for 2014 when the FTE rate was 431. The rate in West Mercia for 2015 is higher than the national rate of 369.

The percentage reduction in the rate of FTEs in West Mercia over the period 2010 to 2015 has been 26%.

Case Study – The Pilot Youth Bureau



This is a pilot scheme that aims to assess all young people coming to police notice, issuing the fairest and most effective decision and where necessary, intervention to reduce the likelihood of further offending.

The Youth Bureau involves a Police decision maker, WMYOS staff, a panel member (a trained and vetted member of the community) and other professionals where relevant.

The young person and their parents/carers then attend to receive the decision and implement any intervention straight away.

This pilot is due to report in autumn 2016

Case one – Sexting – A sixteen year old school boy with no previous offending history who forwarded an indecent image to a friend and like many other young people, he had not realised that he had committed an offence until he was dealt with by Police.

He was extremely remorseful and naïve. Prior to the bureau being in place, he may well have received a caution direct from police. This would have also attracted sex offender registration. The ongoing restrictions would then have affected his future employment prospects.

WMYJS were able to offer an enhanced community resolution along with a package of intervention around safe internet use and appropriate internet safety interventions.

There have been no further allegations about this young person.

Case two – Racial Harassment - This relates to a fifteen year old Shropshire school girl who racially abused the victim. There had been some minor contact with police previously.

On this occasion she was assessed by WMYJS and it was clear that there were vulnerability issues. These impacted on her ability and consequently her understanding of the impact of her behaviour.

As a result of the Bureau an enhanced community resolution has been able to be issues supported by an intervention programme delivered by WMYJS to address self esteem, impact of her behaviour on others and referral to Child and Adolescent Mental Health Services for assessment and support.

Had this young person been dealt with by the police alone it is likely that she would have received a youth caution, no further support and the identified issues would have continued, potentially leading to further harm to the community

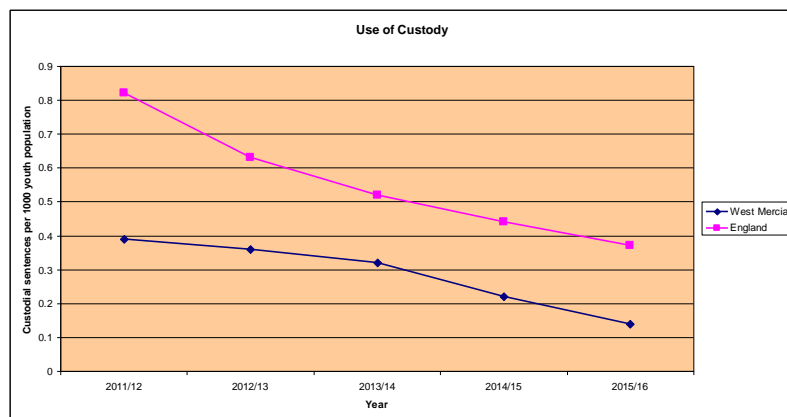
There have been no further allegations about this young person.

Within West Mercia there are differing FTE rates between the four Local Authority areas, with the highest being 641 and the lowest 386. Some initial analysis undertaken in 2014 demonstrated that the highest rate was in part, a result of higher detection rates and a lower proportional use of the informal disposal of Community Resolution. Further analysis is required to ascertain the reasons behind the rise in the FTE rate experienced during 2015

I haven't offended again since being with YOS. I have learnt about victim awareness and having to put yourself in someone else's shoes. (service user)

The first time entrant rate is to a great extent outside of the control of the WMYJS, however WMYJS, jointly with West Mercia Police are piloting a bureau approach to out of court decision making in Shropshire which aims to divert low level offenders from formal justice sanctions through the use of restorative processes.

(ii) Use of Custody



The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year old population. West Mercia has, historically, had a low rate of custodial sentences. A lower figure denotes good performance.

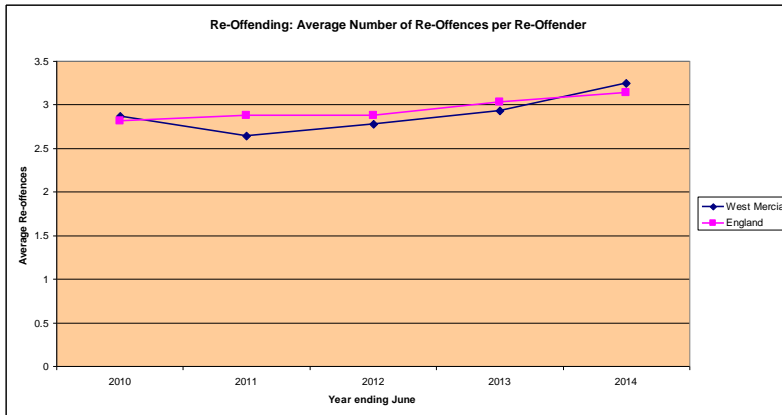
For 2015/16 the use of custody rate for West Mercia was 0.14 against the rate for England of 0.37, West Mercia performance is, therefore, significantly better than the national performance. The West Mercia rate for 15/16 has improved from 14/15 when it was 0.22.

Over the four year period of 2011/12 to 2015/16 the rate has reduced from 0.39 to 0.14, a reduction of -64% which compares favourably to the reduction of -55% for England over the same period

The actual fall in custodial sentences was from 46 in 2011/12 to 16 in 2015/16, a reduction of 65%.

(iii) Re-Offending

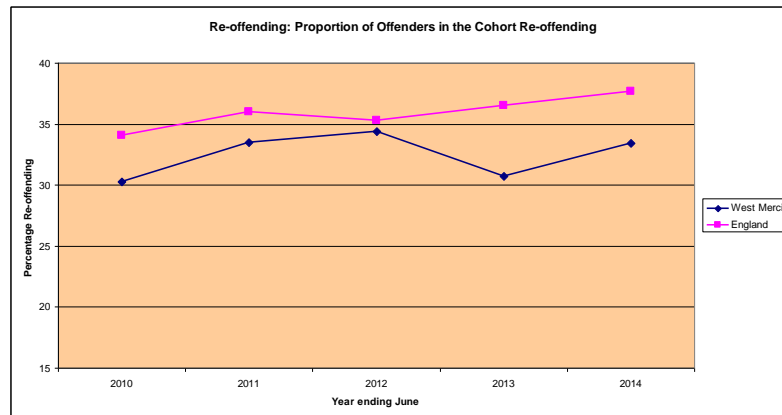
There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per re-offender in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. The most recent data for the re-offending measure is for the cohort identified in the year ending July 2013 to June 2014. In both measures a lower figure denotes good performance.



For the year ending June 2014 the frequency measure performance for West Mercia was 3.25, compared to national performance 3.14.

A comparison over the five year period of the years ending June 2010 and the year ending June 2014, shows a 13% increase in the rate from 2.87 to 3.25, over the same period the rate for England has risen by 12%.

The binary measure performance for the year ending June 2014 for West Mercia is 33.4% compared with national performance of 37.7%.



A comparison over the five year period for the year ending June 2010 to the year ending June 2014, show that this measure is volatile varying year on year in a range between 30% and 34%. The national rate also shows a year on year variation over the same period but within the range of 34% and 38%.

It should be noted that the cohort size is falling, from 1975 young people in the June 2010 cohort compared to 811 young people in the June 2014 cohort. The number of re-offences has also decreased over the same period from 1718 to 882 a decrease of -49%.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs. Early

information from the tracker tool has identified that only a small proportion of young people re-offend leading to a further conviction whilst subject to a YOS intervention, between September and December 2015 only 3.6% of young people subject to YOS interventions were reconvicted of a further offence.

3. RESOURCES AND STRUCTURE

3.1 Income

The Youth Offending Service has a complex budget structure comprising of partner agency cash, seconded staff and in kind contributions and the Youth Justice (YOT) Grant from the Youth Justice Board for England and Wales. The table below outlines the agreed contributions for 2016/17.

I felt treated as a person and not a criminal (service user)

Agency	Staffing costs Secondees (£)	Payments in kind – revenue (£)	Other delegated funds (£)	Total (£)
Local Authorities ¹			1,228,499	1,228,499
Police Service	237,892		63,000	300,892
National Probation Service	126,066		115,066	241,132
Health Service	129,860		51,894	181,754
Police and Crime Commissioner			180,293	180,293
YJB Youth Justice (YOT) Grant			1,140,721	1,140,721
Total	493,818		2,779,473	3,273,291

In addition to the YJB Youth Justice Grant outlined in the table there is a further grant for the running of the Junior Attendance Centres of £50,318.

¹ Where YOTs cover more than one local authority area YJB Youth Justice Plan guidance requires the totality of local authority contributions to be described as a single figure.

3.2 The YJB Youth Justice (YOT) Grant

The YJB Youth Justice (YOT) Grant is provided for the provision of youth justice services with an aim of achieving the following outcomes; reducing re-offending, reducing first time entrants, reducing the use of custody, effective public protection and effective safeguarding. The grant will form part of the overall pooled partnership budget for WMYOS, which is used to deliver and support youth justice services across West Mercia. The outline draft budget for 2016/17 is provided below, the expenditure against the Youth Justice Grant is included in this budget.

I've also done work around my victim and have met him face to face this made me feel like I could get my own apology across and I faced up to my actions (service user)

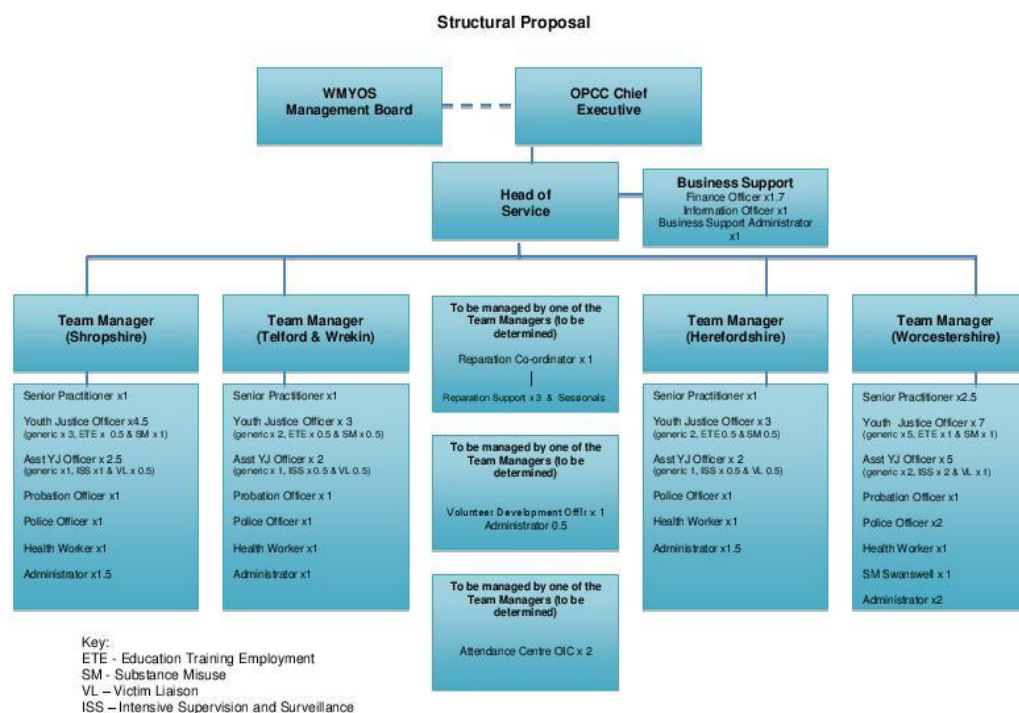
This draft budget has been profiled on the service structure at 31st March 2016, and will be re-profiled mid year to take account of service re-structure.

Category	Budget (£)
Salary and Wages	2,410,276
Travel and Expenses	122,880
Training and Development	23,680
Accommodation	197,356
Voluntary Associations	0
Commissioning	82,730
ICT	86,530
Other	35,150

West Mercia YJS is due to implement AssetPlus, the new national assessment tool for YOTs in June 2016, this will also coincide with the implementation of the ChildView information system. It has been agreed that the implementation costs of these two systems are to be met from reserves.

3.3 WMYJS Structure and Staffing

The West Mercia Youth Offending Service currently comprises five multi-agency service delivery teams, aligned to the Local Authority areas (two teams in Worcestershire) to deliver the majority of services supported by a central services team. In the first six months of 2016/17 a revised structure is being implemented which will comprise four area teams aligned to the Local Authority areas. A structural diagram of the new structure is given below.



1

The YOS is compliant with the minimum staffing requirements outlined in the Crime and Disorder Act 1998, as can be seen from the structural diagram above. There are four HCPC registered Social Workers within the staffing group.

3.4 Staff and Volunteers by agency, gender and ethnicity

The tables below show staff and volunteers by agency, gender and ethnicity. This data is at 31st March 2016.

My attitude has improved towards my dad, I have calmed down a little bit. (service user)

PAID STAFF BY AGENCY							
Agency	Local Authorities	National Probation Service	Police	NHS Trusts	Voluntary Sector	Agency	Total
No of Staff	69	1	5	1	4	2	82

PAID STAFF BY GENDER AND ETHNICITY						
GENDER		ETHNICITY				
Male	Female	White	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/Caribbean/Black British	Other Ethnic Group
28	54	78		3	1	

VOLUNTEERS BY GENDER AND ETHNICITY						
GENDER		ETHNICITY				
Male	Female	White	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/Caribbean/Black British	Other Ethnic Group
37	57	89	2	2	1	

3.5 Staff and Volunteers Trained in Restorative Justice

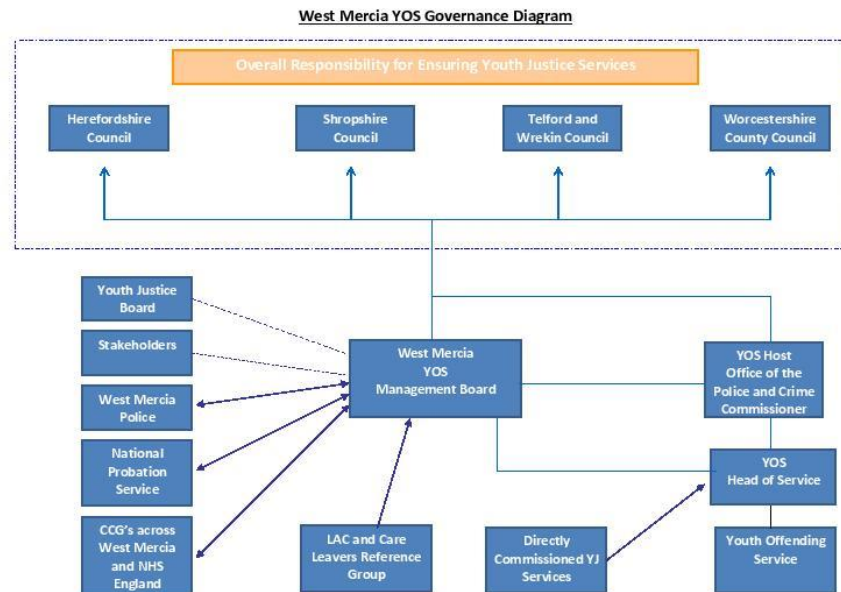
At 31st March 2016 there are 63 staff and 32 panel members trained in Restorative Justice (RJ) conferencing, 8 staff are trained in managing complex cases and 5 managers have training in RJ supervision and management. There are 4 members of staff who are trainers in RJ, and 18 staff have received specific training in victim liaison and contact.

4. GOVERNANCE AND PARTNERSHIPS

4.1 Governance

WMYJS is managed on behalf of the Local Authorities and the WMYJS partnership by the Office for the Police and Crime Commissioner West Mercia (OPCC). Day to day management of the Head of Service is provided by jointly the Chief Executive of the OPCC and the Chair of the Management Board (DCS Shropshire). The Youth Offending Service is accountable to the WMYJS Management Board and the Management Board is accountable to each of the Local Authorities for the commissioning and delivery of youth justice services.

The partnership Youth Justice Plan is approved by the Management Board and approved by each of the four top tier Councils. The diagram below outlines the governance arrangements of West Mercia Youth Justice Service.



The Youth Justice Service Management Board is currently chaired by the Director of Children Services for Shropshire Council. The Membership of the Board at 1st April 2016 is outlined in the table below:

I can now express my feelings better, make better decisions. I'm going to college. (service user)

Agency	Representative	Role
Worcestershire County Council	Simon White	Director of Children Services
Shropshire Council	Karen Bradshaw	Director of Children Services
Telford and Wrekin Council	Clive Jones	Director of Children, Family and Adult Services
Herefordshire Council	Jo Davidson	Director of Childrens Wellbeing
National Probation Service	Tom Currie	Head of West Mercia
West Mercia Police	Amanda Blakeman	Assistant Chief Constable
West Mercia Clinical Commissioning Groups	Vacant at 1 st April 2016	
Office for the West Mercia Police and Crime Commissioner	Andy Champness	Chief Executive

The Board has adopted the following purpose and underlying principles:

Purpose

- To focus collaborative multi-agency effort on work to improve outcomes for Young Offenders by offering an exemplary service, with timely interventions and strong links and partnership across all local services including Children's Services, criminal justice and community safety sectors.
- To set strategic direction for the Youth Offending Service across West Mercia and agree and review local youth justice planning
- To provide support and challenge to the West Mercia YJS on operational performance.

Underpinning Principles

- To demonstrate effective leadership, support and challenge to the West Mercia YJS.
- To ensure that WMYJS is compliant with relevant national standards, including Youth Justice Board and local arrangements, and deals with exceptions/risks appropriately
- To ensure available resources are used efficiently to run an effective service.
- To ensure that Local Authorities jointly and singly manage the arrangements with the host agency.
- To provide the necessary governance to effectively steer the delivery of the service

The Management Board meets every two months and monitors the performance and quality of the service through regular reporting. Where necessary the Management Board will monitor compliance with the YJB Grant conditions through exception reports. There is an agreed process of reporting community safeguarding and public protection incident reviews into the Management Board and the Board monitors the progress of critical learning review action plans as a standard agenda item

I have learnt new skills, such as painting, cutting trees etc whilst out with my reparation worker (service user)

The Management Board ensures that, where relevant, commissioning across partner agencies take account of the needs of young people in or at risk of entering the youth justice system, and where appropriate explore joint commissioning arrangements.

4.2 Priorities for 2016/17

The Management Board agreed four main priorities for 2015/16 and has decided to continue these for 2016/17

1. Improving Performance and Developing Practice
2. Understanding our Young People
3. Improved Joint Working and Integration
4. Governance and Communication

1. Improving Performance and Developing Practice

As a response to various service audits and the SQS inspection of the service published in May 2015 the service implemented a new quality assurance and performance framework during 2015/16, resulting in an increase in compliance against locally defined standards that were applied to the assessment and planning process. In 2016/17 WMYJS will be implementing both a new information system, ChildView and the new national assessment framework, AssetPlus. These developments will require the implementation of a revised quality assurance and performance framework during 16/17. The Worcestershire and Herefordshire Junior Attendance Centre was re-opened in 2015/16, further work is required in 2016/17 to identify a permanent officer in charge and develop the curriculum of both centres in West Mercia. At the end of 2015/16 WMYJS implemented a pilot bureau approach to out of court disposal decision making. This pilot is due to end in Q2 2016/17, when it will be evaluated and potentially rolled out across West Mercia. Following the implementation of the new assessment process the service will need to review the current risk management processes.

2. Understanding our Young People

As noted in the performance section of this plan there was a rise in the first time entrant rate in West Mercia in 2015 and this is contrary to the national trend. Work will be undertaken to try and understand the reasons behind this. Previous work to identify drivers behind the differing rates across West Mercia identified detection rates and out of court disposal decision making to be significant factors, so this will inform the start point for further analysis. A service participation group was established in 2015/16, leading on service user engagement. The group revised the service user feedback process, and implemented a comments, compliments and complaints scheme. The work needs to be built on during 2016/17, to ensure that positive use is made of the feedback and ensure the voice of service users is heard by WMYJS management board. A needs assessment developed in 15/16 will be built on to inform service planning for 2017/18.

3. Improved Joint Working and Integration

Promoting greater integrated and joint working between WMYJS and other services remains a key priority. The LAC group will be revitalised in order to continue to look at joint issues between Children's Social Care and WMYJS in relation to children in care. WMYJS will take a lead in agreeing a multi-agency protocol to reduce the need to criminalise looked after children. A revised case transfer protocol between the YOS and the providers of probation services will be developed taking account the thematic inspection on transitions published by HMI Probation during 15/16 and to ensure that the approach to transition is informed by the T2A principles, and work the young person following transition builds on the work undertaken by WMYJS. During 15/16 a decision making forum for looked after children was piloted by West Mercia Police in Shropshire, supported by and involving the WMYJS. WMYJS will continue to support this initiative as it is rolled out across the Police strategic alliance area.

Case Study – Restorative Justice Conference

Restorative justice involves the bringing together of the victim and the offender in order to repair the harm that has been caused. WMYOS has trained its entire front line staff in the use of restorative justice techniques, in order that this can be used wherever possible.



The most benefit can often be gained from a restorative justice conference. These are only held if the victim wants this form of intervention to happen. It is a right under the victim charter for these to be available in all areas of the country from youth justice services.

Following preparation of both the victim and offender, then a meeting is held that enables the victim to explain how they have been affected by the offenders actions. Many victims find this to be helpful in many ways.

17 year old Robert was involved in the robbery of a mobile phone, in Cambridge, where Robert was living at the time of the offence. The victim was a Japanese national who was working with one of the university colleges to assist them with biology studies.

Robert went to court and received a court order for 12 months. From the beginning of the WMYJS involvement Robert was willing to engage with the victim for restorative justice purposes.

During the time period between court and the restorative justice conference taking place, Robert had his own mobile phone stolen. This increased his understanding of how his victim could be feeling.

The restorative justice conference took place in a mutually agreed venue in Cambridge. The conference was far reaching for both the victim and Robert. The victim explained the effect of the robbery, losing his contacts, impacting on his relationship and hindering his work. He was frightened by the robbery, not going out on his own.

The conference was a success with the victim able to understand that he was not deliberately targeted, that is was not a racial attack and was not going to be repeated. He has been able to go out on his own since.

For Robert the lasting outcome has been that this appears to have made Robert stop and think about the impact of his behaviour on others when he is able to identify an obvious victim.

4. Governance and Communication

During 2015/16 the Management Board completed the service review and agreed to transfer the service to the Office of the West Mercia Police and Crime Commissioner with effect from 1st April 2016. Due to the financial pressures faced by the service a review of the service structure has commenced with the aim of the Management Board agreeing a new service structure in the first quarter of 2016/17 with implementation to take place during the first half of 16/17.

4.3 Safeguarding

Safeguarding remains a key area of focus for the service. WMYJS has a key role in safeguarding young people, in terms of assessing and reducing the risk of harm to the young people either from their own behaviour or the actions of others and reducing the risk of harm they may pose to others.

There are specific actions under each of the four main priorities which address safeguarding within service delivery, these include the AssetPlus implementation, review of the risk management processes and the work to reduce the need to criminalise looked after children. WMYJS will continue to undertake critical learning reviews when safeguarding or public protection incidents occur, and apply any learning to future service delivery. The YJS is reviewing safeguarding policy and developing more of a focus on domestic abuse, and peer domestic abuse.

4.4 Partnerships

The Youth Justice Service only has one outsourced service, the provision of Appropriate Adults for young people in Police custody. The service is provided by a local voluntary sector organisation YSS.

WMYJS is a member of the four Safeguarding Children Boards and several of the board's sub groups and the Children's Trusts or equivalent partnerships. The YOS is represented on the Crime and Disorder reduction partnerships at the unitary or top tier authority level. The YOS is an active member of the West Mercia Criminal Justice Board and the MAPPA Senior Management Board.

WMYJS is represented on the strategic planning groups of Troubled Families programmes across three areas and has been contributing to all four programmes mostly the exchange of data and information, and directly contributing to delivery where relevant.

WMYJS is represented on the Channel Panels across West Mercia established as part of the Prevent strategy. YOS staff have undertaken WRAP training in most areas. Further work is required to ensure that the YOS is able to respond in delivering appropriate programmes of intervention to young people who are at risk of extremism.

The National Police Chiefs Council (NPCC) has a children and young peoples strategy which has four priority areas; Children in Care, Detention, Custody and Criminalisation, Stop and Search and Engagement. Locally Warwickshire and West Mercia Police have established a Children and Young Peoples Board to take forward a local plan based on the national priorities above, and WMYJS are participants within this. A joint protocol regarding the PACE transfer of young people charged and denied police bail between the Police, WMYJS and Local Authorities has been agreed. WMYJS is currently leading the work on developing a multi-agency protocol to reduce the criminalisation of children in care.




5. RISKS TO FUTURE DELIVERY – THE ANNUAL ACTION PLAN

Risk to Future Delivery	Action	Key Priority	Owner	Timescale (by end of quarter)
Priority 1 – Improving Performance and Developing Practice				
Intervention plans not sufficiently addressing assessed risks leading to increased risk of re-offending, increased risks of harm to others or increased risks of harm to self.	Staff Training – AssetPlus and ChildView	1	AP Lead and ICT Lead	Q1
	Implementation of AssetPlus assessment framework	1	AP Lead	Q1
YOIS does not support the new assessment framework	Upgrade Client/Management Information system to ChildView	1	ICT Lead	Q1
JACs not meeting the national specifications	Further development of the JAC programme	1	AC Lead	Q3
QA and Performance Framework not designed to support new APIS framework	Revised QA process and tools to be developed	1	QA Lead	Q3
Inconsistent risk planning processes/ current processes may not support new APIS framework.	Review of the service's management of risk processes	1	QA Lead	Q3
Out of court decision making inconsistent across West Mercia leading to differential FTE rates	Evaluate the Shropshire Bureau pilot – service wide implementation plan if successful	1	HoS	Q3
	Put in place revised OoCD joint decision protocol with West Mercia Police	1	HoS	Q4
Priority 2 – Understanding Our Young People				
Insufficient understanding of reasons for the increasing rate of FTEs	Analysis of the drivers behind rising rate of FTEs	2	Performance Lead	Q3
	Devise and implement a FTE tracking tool	2	Performance Lead	Q3
Service development not informed by user feedback	Bulid on service user feedback framework implemented in 2015/16	2	Participation Lead	Q3
	Service user views to be built into Management Board performance reporting framework	2	Participation Lead	Q2

Risk to Future Delivery	Action	Key Priority	Owner	Timescale (by end of quarter)
Future planning not informed by relevant data and information	Further development of the annual assessment	2	Performance Lead	Q4
Priority 3 – Improved Joint Working and Integration				
Disproportionate criminalisation of LAC affecting FTE and re-offending rates	Agreement of multi-agency protocol to reduce criminalisation of LAC	3	HOS	Q3
	YOS to support roll out of the LAC decision making forums	3	AMs	Q3
	Re-establish YOS LAC reference group	3	HOS	Q2
Unplanned transition between youth and adult services leading to increased risks of re-offending	Revise the YOS/Probation transfer protocol to ensure it complies with recommendations of the HMI Probation thematic inspections	3	HOS	Q2
	Implement the use of the Y2A portal for case transfer	3	ICT Lead	Q3
Lack of joint working with other agencies and services leading fragmented planning and case management	YOS to develop better and more co-ordinated planning with Children's Social Care at a local level	3	AMs	Q2 – Q4 (on going)
	Review and where necessary revise working protocols with Children's Social Care and CAMHS	3	HOS	Q4
Priority 4 – Governance and Communication				
Cost of current structure exceeds service income, does not make best use of resources and provide flexibility of use of resources across the service	Agree a revised service structure	4	MB	Q1
	Implementation of new structure	4	HOS/OPCC	Q2 – Q3
Leadership team unable to change culture of service and implement successfully new ways of working	Leadership team development and management of change training programme	4	HOS	Q3
Leases coming to an end	Development of an accommodation strategy for the YOS	4	OPCC	Q3
A disconnect between the management board and management team	Joint management board and management team workshop when new structure in place	4	CMB/ HOS	Q3
New structure not recognised as a new approach to service delivery.	Service to be rebranded and a Youth Justice Service.	4	HOS	Q3

6 MANAGEMENT BOARD APPROVAL

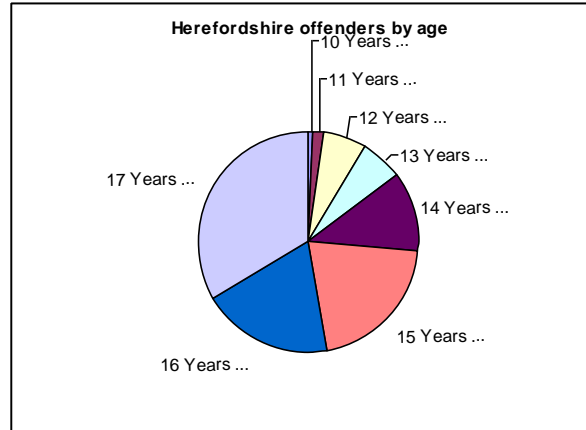
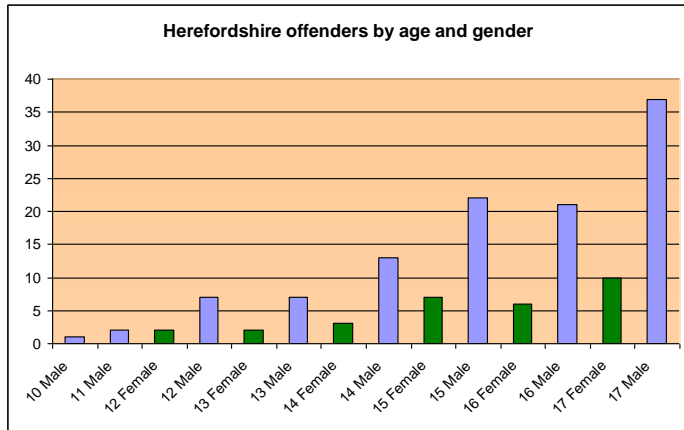
The plan was agreed at the Management Board meeting held on 18th August 2016.

Agency	Agency	Signature
Catherine Driscoll	Worcestershire County Council	
Karen Bradshaw	Shropshire Council	
Clive Jones	Telford and Wrekin Council	
Jo Davidson	Herefordshire Council	
Tom Currie	National Probation Service	
Amanda Blakeman	West Mercia Police	
Andy Champness	Office of the West Mercia Police and Crime Commissioner	

APPENDIX 1 - AREA PROFILE – HEREFORDSHIRE

Youth Offending Population – all Young People

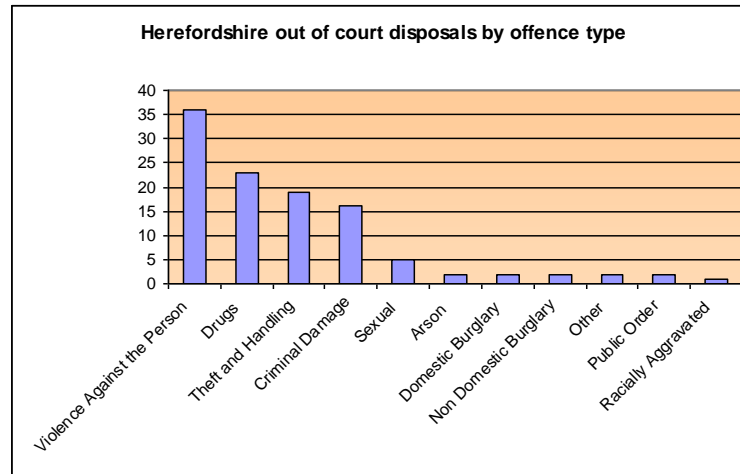
There are 16,261 young people aged 10 to 17 in Herefordshire. In 2015/16 there were 176 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Herefordshire young people. A total of 140 individual young people accounted for these 176 outcomes, 0.86% of the youth population.



Of the 140 young people entering or in the youth justice system in 2015/16, 79% were male. The majority, 73%, were aged 15 to 17 years. The peak age of offending for both young males and young females was 17 years.

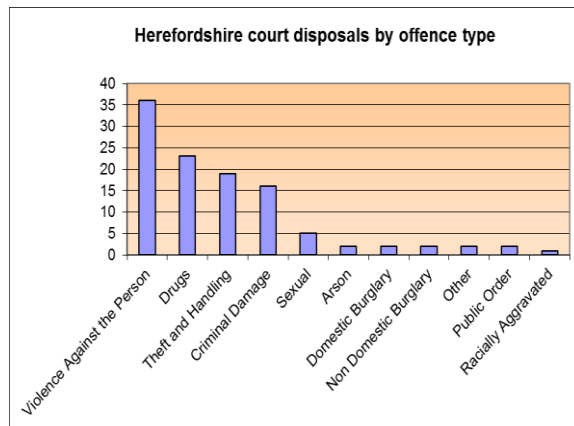
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2016/17 there were a total of 110 pre-court disposals made on 102 Herefordshire young people, 107 of these were Youth Cautions and 2 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2014/15 intervention programmes were provided for 9 pre-court disposals.



The most frequently occurring primary offences for out of court disposals were violence against the person, 28% drug offences, 24% followed by theft and handling, 16% and criminal damage, 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 50 Herefordshire young people accounted for 66 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 35 of the 66 court outcomes.

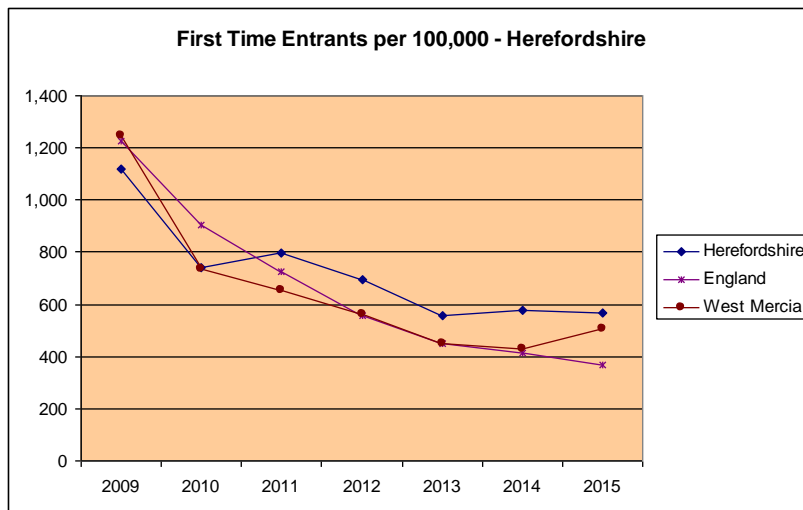
The majority, 93% of young people receiving court sentences were aged 15 to 17, with 17 year olds accounting for 50% of young people receiving a court sentence.

The most frequently occurring primary offence for court sentences was violence against the person, accounting for 33% of all offences. Drug offences were the next frequently occurring offence, 21%, followed by theft and handling, 17% and criminal damage 15%. These four categories of offences accounted for 86% of all offences charged to court.

Performance Against the National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 566 first time entrants per 100,000 youth population in Herefordshire, representing a reduction of -49% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in the 2015 is 92, compared to 217 in 2009 and 95 in 2014. The rate of 566 in 2015 is an improvement in performance on 2014 when the rate was 578. All other areas in West Mercia experienced an increase in the rate in 2015 compared with 2014. The West Mercia rate increased from 431 to 506 between 2014 and 2015.

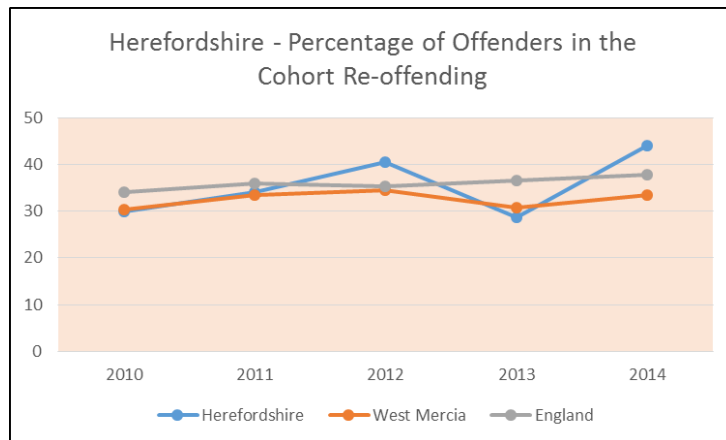
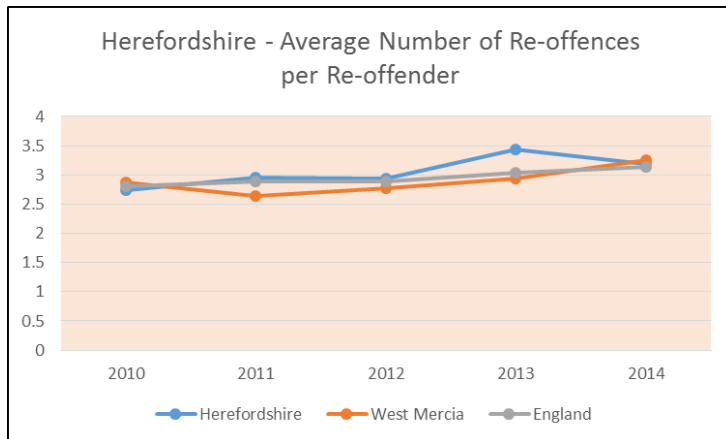
At 566 Herefordshire has the second highest rate of FTEs across West Mercia, the range in rates across the West Mercia authorities is 386 to 641. Some analysis into reasons for the high rate in Herefordshire was undertaken in 14/15, and it found that in part it is due to a higher detection rate and a lower proportional use of informal disposals.

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Herefordshire has, historically, had a low rate of custodial sentences.

There were 2 custodial sentences during 2015/16, equating to a rate of 0.12 custodial sentences per 1000 youth population this represents a reduction in custodial sentences from 2014/15 where there were 4 custodial sentences equating to a rate of 0.25. The 2015/16 rate of 0.12% compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Herefordshire for the year ending June 2014 is 3.19, compared to the West Mercia performance of 3.25 and national performance of 3.14. Herefordshire is, therefore, performing slightly less well than for England but better than for West Mercia as a whole. The performance is an improvement from the year ending June 2013 when the frequency rate was 3.43.

For the year ending June 2014 the binary measure for Herefordshire is 44.1 compared with a West Mercia performance of 33.4% and a national performance of 37.7%. For the year ending June 2014, therefore, there were a greater proportion of the cohort re-offending than for West Mercia, but they were, on average, re-offending with less frequency. It should also be noted, that the overall cohort sizes are decreasing year on year. In the year June 2010 there were 323 offenders in the cohort and 266 re-offences compared to a cohort size of 143 with 201 re-offences in 2014. The number of actual re-offences has therefore decreased by -25% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

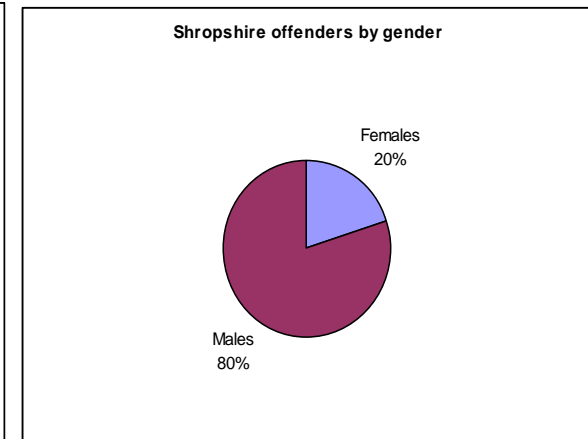
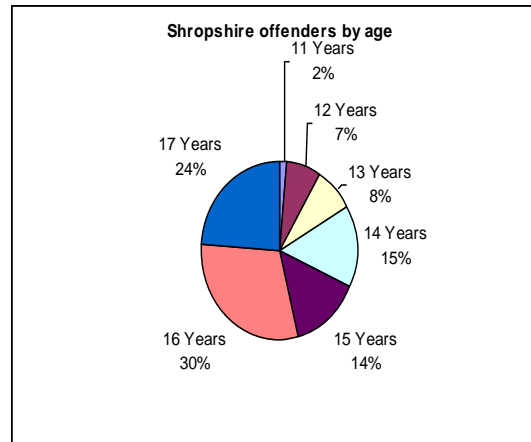
The Children, Young People's Plan 2015 - 2018 has a section on "Managing Challenges to Young Peoples Social Inclusion". Within this section the reduction of first time entrants to the youth justice system, reducing the rates of re-offending and repeat anti-social behaviour and ensuring the education, employment and training and accommodation needs of young offenders are addressed and met are priorities. Key planning priorities include developing the evidence base for effective intervention programmes to tackle crime and anti-social behaviour, ensuring capacity for accommodation for remands and PACE beds and developing pathways to meet the additional needs of young people who are in the youth justice system.

The Community Safety Strategic Plan for 2014 -2017, contains the priority to reduce offending and re-offending and bring offenders to account, under which success measures are reducing first time entrants to the youth justice system and re-offending by young people. Another priority in the plan is reducing the harm caused by alcohol and drugs, this has a particular link across as 40% of young people receiving YOS interventions have assessed substance misuse needs.

APPENDIX 2 - AREA PROFILE – SHROPSHIRE

Youth Offending Population – all Young People

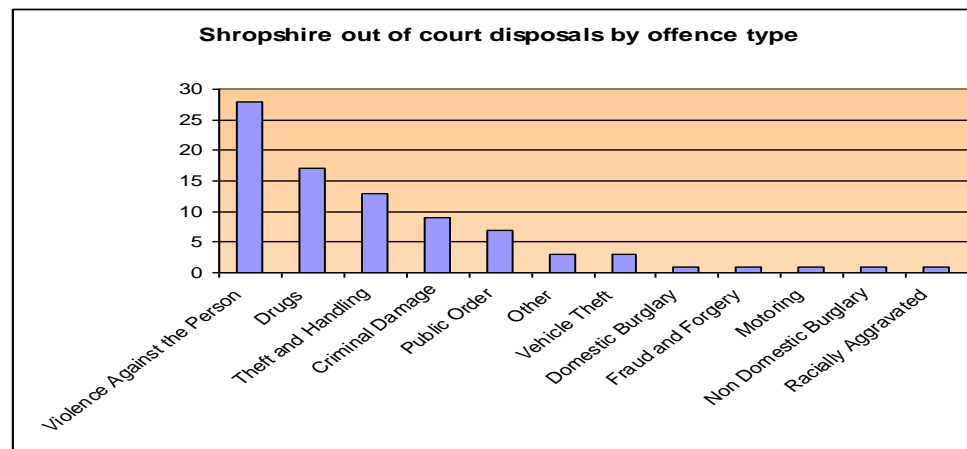
There are 28,008 young people aged 10 to 17 in Shropshire. In 2015/16 there were 140 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Shropshire young people. A total of 113 individual young people accounted for these 140 outcomes, 0.40% of the youth population.



Of the 113 young people entering or in the youth justice system in 2015/16, 90% were male. The majority, 69%, were aged 15 to 17 years. The peak age of offending for both young males and young females was 16 years.

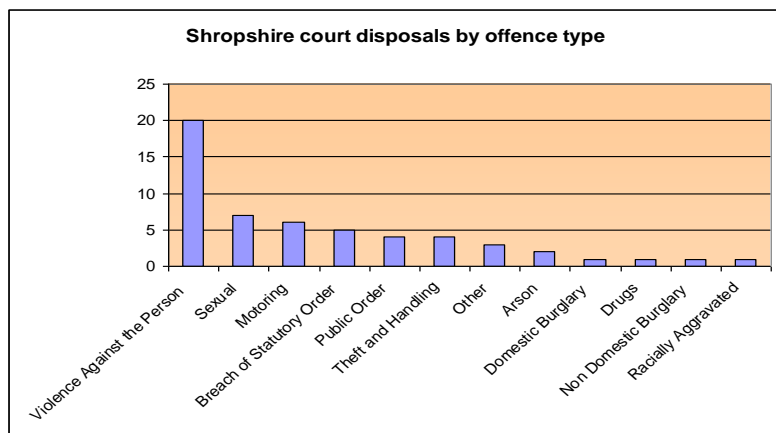
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 85 pre-court disposals made on Shropshire young people, 79 of these were Youth Cautions and 6 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 29 pre-court disposals.



The most frequently occurring primary offences for out of court disposals were violence against the person, 33%, followed by drug offences, 20%, theft and handling, 15%, and criminal damage 11%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 43 Shropshire young people accounted for 55 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 40 of the 55 court outcomes.

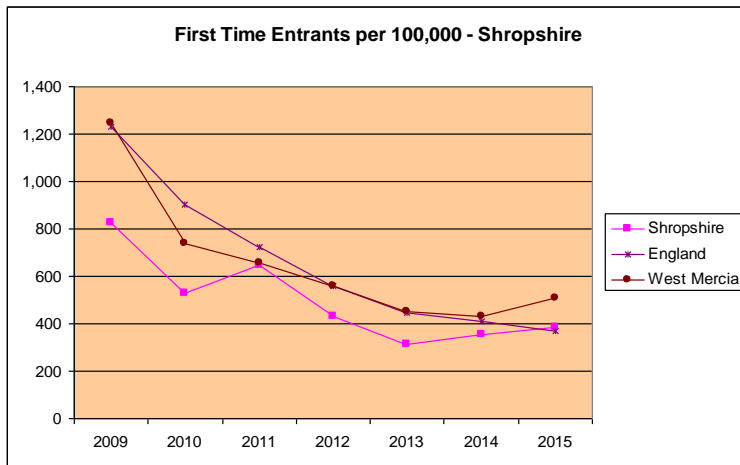
The majority, 78% of young people receiving court sentences were aged 15 to 17, with 16 year olds accounting for 38% of young people receiving a court sentence.

The most frequently occurring offence for court sentences was violence against the person, accounting for 36% of all outcomes. Sexual offences were the next frequently occurring offence, 13%, motoring offences 11%, and breach of a statutory order, 9%.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate



In the 2015 there were 386 first time entrants per 100,000 youth population in Shropshire, representing a reduction of -53% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 108, compared to 255 in 2009.

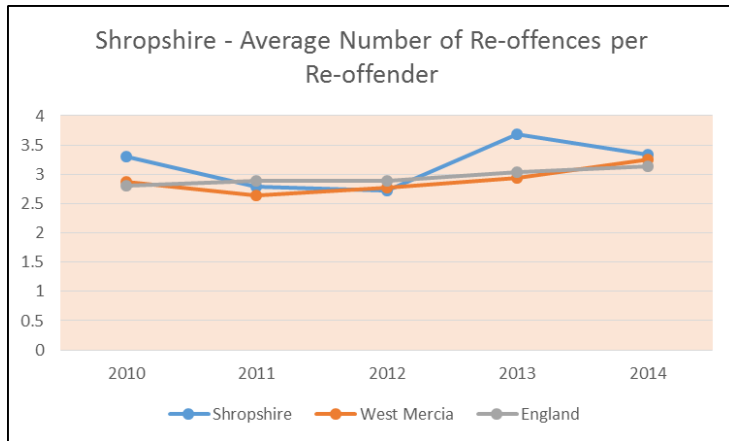
At 386 Shropshire has the lowest rate of FTEs across West Mercia, the next lowest rate being 510 and the highest 641. The Shropshire rate is slightly higher than the national rate, 369 but significantly lower than West Mercia, 506. Along with two other West Mercia authority areas Shropshire experienced a rise in the rate from 2014, from 352 to 386, a rise from 100 to 108 actual first time entrants. The YOS in partnership with the Police are piloting a bureau approach to out of court disposal decision making in Shropshire until September 2016.

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Shropshire has, historically, had a low rate of custodial sentences.

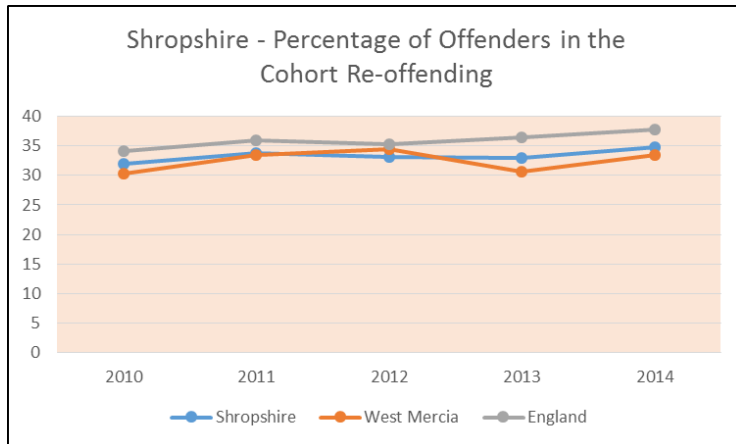
There were 3 custodial sentences during 2015/16, equating to a rate of 0.11 custodial sentences per 1000 youth population this represents an decrease in custodial sentences from 2014/15 where there were 6 custodial sentences equating to a rate of 0.21. The 2015/16 rate of 0.11% compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Shropshire for the year ending June 2014 is 3.33, compared to the West Mercia performance of 3.25 and national performance of 3.14. Shropshire is, therefore, performing less well than for West Mercia but slightly better than for England.



For the year ending June 2014 the binary measure for Shropshire is 34.7% which is higher than the West Mercia performance of 33.4% but is significantly better than the national performance of 37.7%. It should also be noted, however, that the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 353 offenders in the cohort and 373 re-offences compared to a cohort size of 173 with 200 re-offences in 2014. The number of actual re-offences has therefore decreased by -46% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

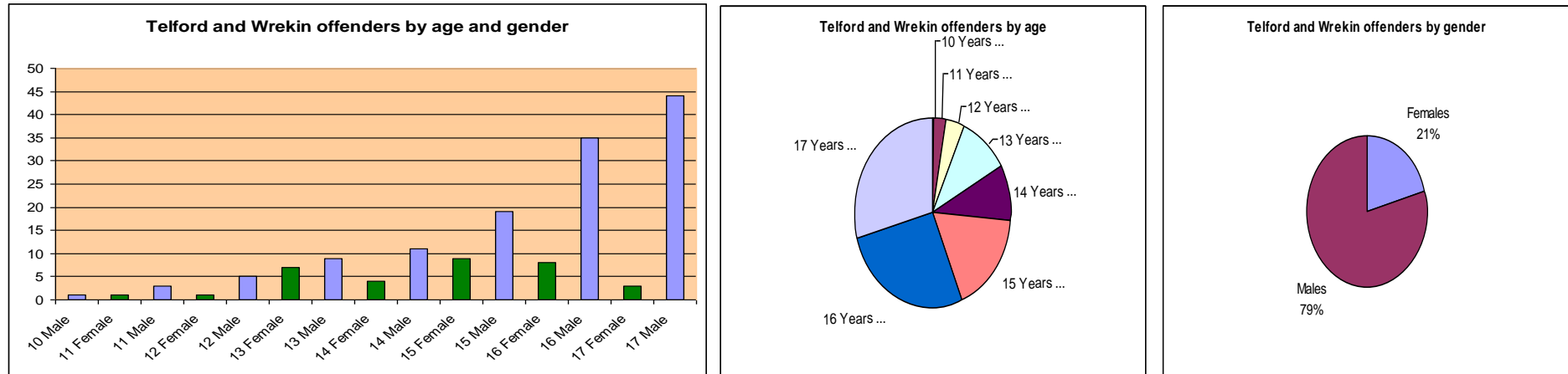
The Children, Young People and Families Plan 2014 has a key outcome area of ensuring the emotional wellbeing of young people by focusing on prevention and early intervention. Within this outcome area reducing the involvement of young people in the criminal justice system and addressing mental health and substance misuse issues are specifically referenced. Within the population of young people receiving YOS interventions in West Mercia 47% have mental health issues and 40% substance misuse issues. A key area of focus for the Children's Trust is transition planning and arrangements, and within this a key outcome is reducing the number of young people who are NEET. This will make a contribution to reducing the risks associated with offending behaviour as 38% of 16 and 17 year olds receiving YOS interventions are receiving less than 16 hours ETE.

There are direct links between the Youth Justice Plan and the priorities in Crime Reduction, Community Safety and Drug and Alcohol Strategy 2014 – 17. In particular priority one, reducing serious harm, and the sub priorities reducing offending and re-offending and alcohol and drug misuse. The YOS directly contributes to these two sub priorities in the direct work undertaken to reduce re-offending and in the delivery of substance misuse interventions to young people who are in the youth justice system, 40% of young people in the youth justice system have substance misuse issues. One of the key strands under reducing re-offending is increasing compliance, and the YOS is established a process of compliance reviewing during 2015/16

APPENDIX 3 - AREA PROFILE – TELFORD AND WREKIN

Youth Offending Population – all Young People

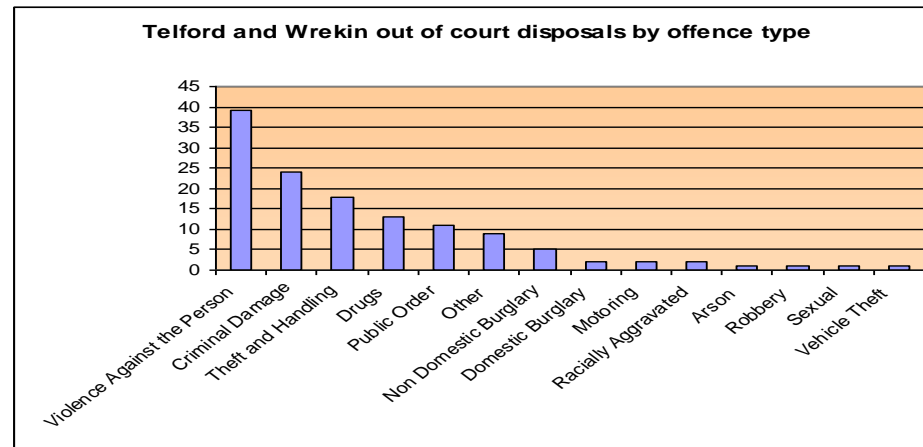
There are 16,532 young people aged 10 to 17 in Telford and Wrekin. In 2015/16 there were 201 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Telford and Wrekin young people. A total of 160 individual young people accounted for these 201 outcomes, 0.97% of the youth population.



Of the 160 young people entering or in the youth justice system in 2015/16, 79% were male. The majority, 74%, were aged 15 to 17 years. The peak age of offending for young males was 17 years and young females 16 years.

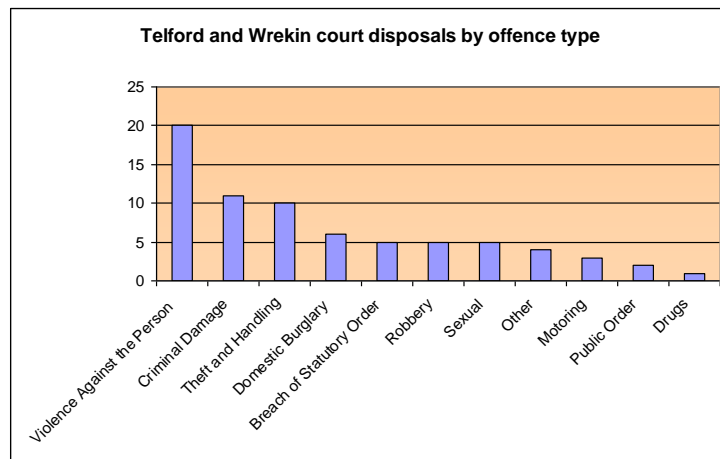
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 129 pre-court disposals made on Telford and Wrekin young people, 127 of these were Youth Cautions and 2 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 46 pre-court disposals.



The most frequently occurring primary offence for out of court disposals was violence against the person, 30%, followed by criminal damage, 19%, theft and handling, 14%, and drug related offences 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2015/16 a total of 60 Telford and Wrekin young people accounted for 66 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 56 of the 66 court outcomes.

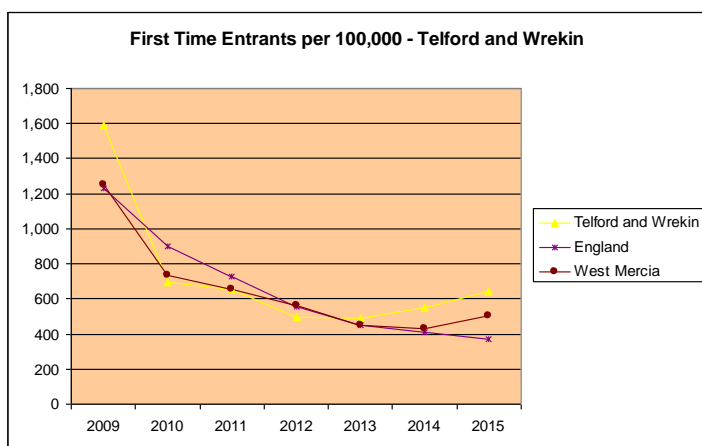
The majority, 83% of young people receiving court sentences were aged 15 to 17, with 16 and 17 year olds accounting for 64% of court outcomes.

The most frequently occurring offence for court sentences was violence against the person, accounting for 28% of all outcomes. Criminal damage was the next most frequently occurring offence, 15%, followed by theft and handling, 14% and burglary 8%. These four categories of offences accounted for 65% of all sentencing outcomes.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 641 first time entrants per 100,000 youth population in Telford and Wrekin, representing a reduction of -60% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 106, compared to 288 in 2009.

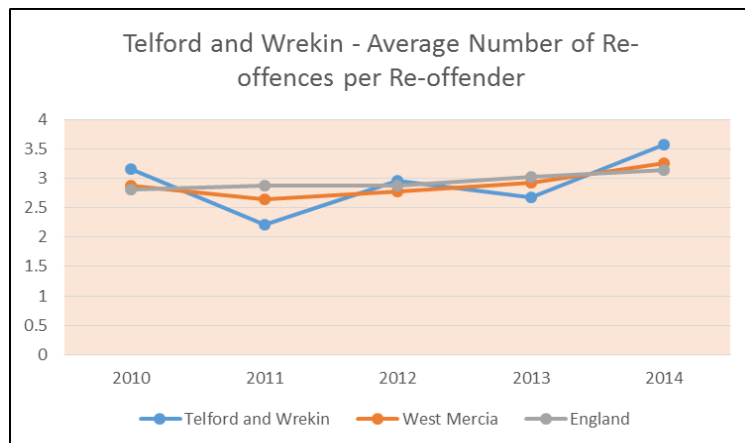
At 641 Telford and Wrekin has the second highest rate of FTEs across West Mercia, the range of rates across West Mercia being 389 to 610. Along with two other West Mercia authority areas, the rate in Telford and Wrekin increased between 2014 and 2015 from 550 to 641. Further analysis is required to establish the reason for the increased rates

(ii) Use of Custody

The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Telford and Wrekin has, historically, had a low rate of custodial sentences.

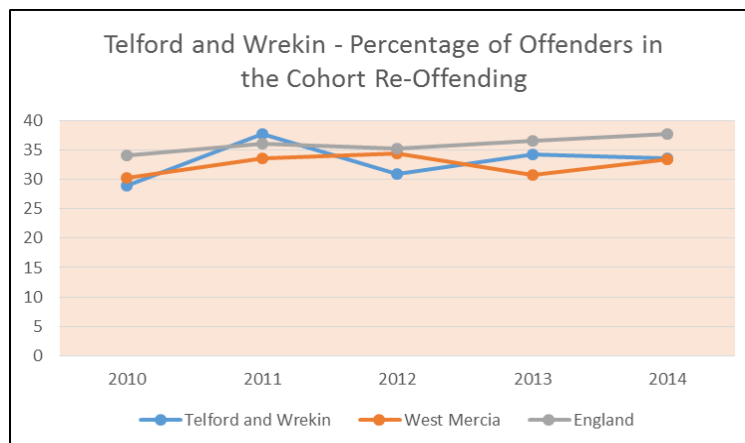
There was 1 custodial sentence during 2015/16, equating to a rate of 0.06 custodial sentences per 1000 youth population this represents an increase in custodial sentences from 2014/15 where there were 0 custodial sentences equating to a rate of 0.00. The 2015/16 rate of 0.06 compares to a West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).

The frequency measure performance for Telford and Wrekin for the year ending June 2014 is 3.57, compared to the West Mercia performance of 3.25 and national performance of 3.14.



For the year ending June 2014 the binary measure for Telford and Wrekin is 33.6% compared with a West Mercia performance of 33.4% and a national performance of 37.7%, Telford and Wrekin is therefore performing in line with West Mercia and better than England. The 2014 performance is slightly improved from 2013 where the performance was 34.2. It should be noted the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014. The number of actual re-offences have therefore decreased by -50% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

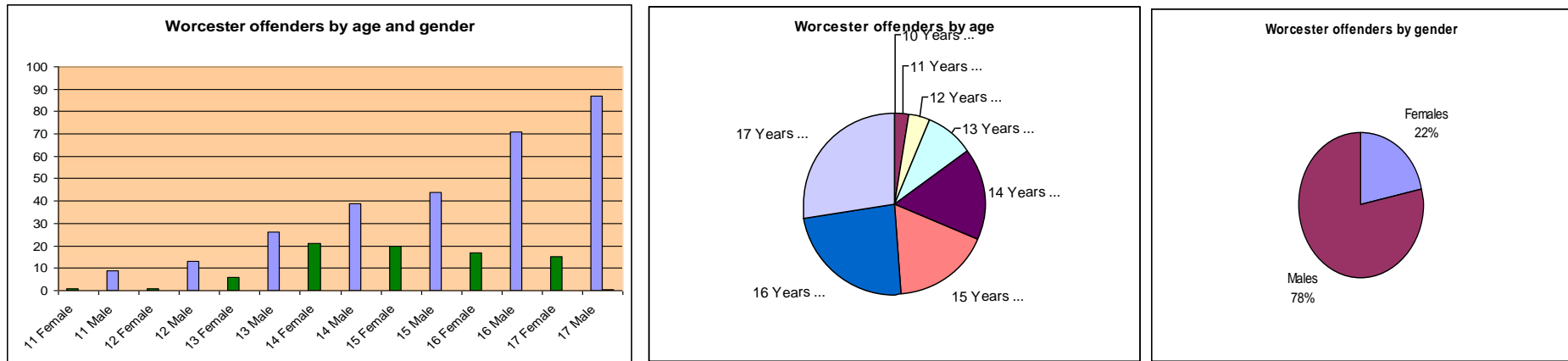
Two of the targeted areas for improved outcomes in the Children, Young People and Families Plan 2013 – 2016 that are relevant to this plan are Live Well and Work Well. Within Live Well reduced offending and re-offending is outcome measure. In Work Well the reduction of young people who are NEET is an outcome measure. NEET 16 to 18 year olds are over represented on the youth offending population with 41% of 16 and 17 year olds YOS clients in West Mercia receiving less than 16 hours ETE. There is an outcome measure to reduce the number of children in care entering the youth justice system for the first time and for those in the system reducing re-offending.

Two of the year three priorities in the Community Safety Plan 2013 -16 are; identify and tackle harm associated with all offending types and reduce the impact of anti-social behaviour has on people, places and communities. Under the first of these priorities is the reduction of offending and re-offending and tackling child sexual exploitation.

APPENDIX 4 - AREA PROFILE – WORCESTERSHIRE

Youth Offending Population – all Young People

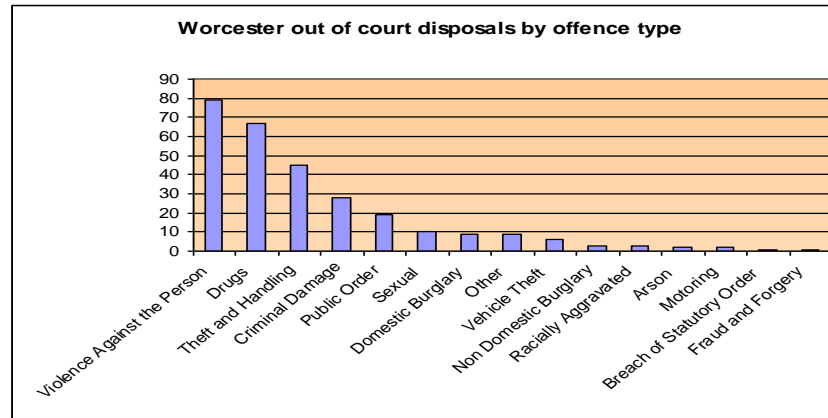
There are 50,980 young people aged 10 to 17 in Worcestershire. In 2015/16 there were 493 youth justice sanctions (youth cautions, youth conditional cautions or convictions) made on Worcestershire young people. A total of 370 individual young people accounted for these 493 outcomes, 0.73% of the youth population.



Of the 370 young people entering or in the youth justice system in 2015/16, 78% were male. The majority, 69%, were aged 15 to 17 years. The peak age of offending for young males was 17 years and young females 16 years.

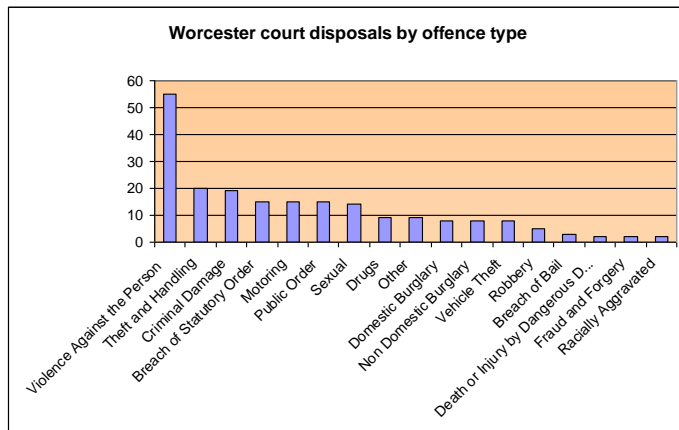
Youth Offending Population – Young People Subject to Out of Court Disposals

During 2015/16 there were a total of 284 pre-court disposals made on Worcestershire young people, 273 of these were Youth Cautions and 11 Youth Conditional Cautions. The YOS is required to assess all young people made subject to second or subsequent Youth Cautions and all Youth Conditional Cautions and if assessed appropriate provide a programme of intervention, in 2015/16 intervention programmes were provided for 70 pre-court disposals.



The most frequently occurring primary offence for out of court disposals were violence against the person, 28%, followed by drug related offences, 24%, theft and handling, 16% and criminal damage 10%.

Youth Offending Population – Young People Subject to Court Outcomes



In 2016/17 a total of 150 Worcestershire young people accounted for 209 court outcomes. Orders requiring YOS interventions (Referral Orders, YROs and Custodial sentences) accounted for 161 of the 209 court outcomes.

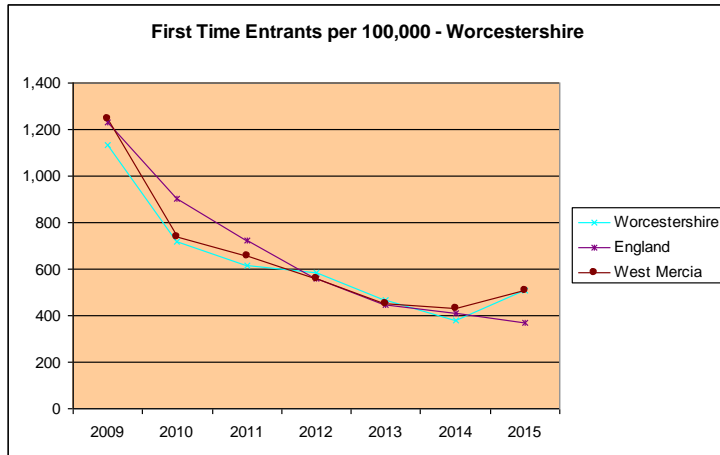
The majority, 84% of young people receiving court sentences were aged 15 to 17, with 17 year olds accounting for 38% of young people receiving a court sentence.

The most frequently occurring primary offence for court sentences was violence against the person, accounting for 26% of all outcomes. Theft and handling was the next frequently occurring offence, 10%, followed by criminal damage, 9%.

Performance Against National Indicators

(i) First Time Entrants

The first time entrant measure is expressed as the number of first time entrants per 100,000 of 10 to 17 year old population. First time entrants are those young people receiving a first formal youth justice sanction (a Youth Caution, Conditional Caution or Conviction). Good performance is indicated by a lower rate.



In 2015 there were 510 first time entrants per 100,000 youth population in Worcestershire, representing a reduction of -55% since 2009. This compares with a reduction for England of -69% and for West Mercia of -67% over the same period. The actual number of first time entrants in 2015 is 260, compared to 639 in 2009.

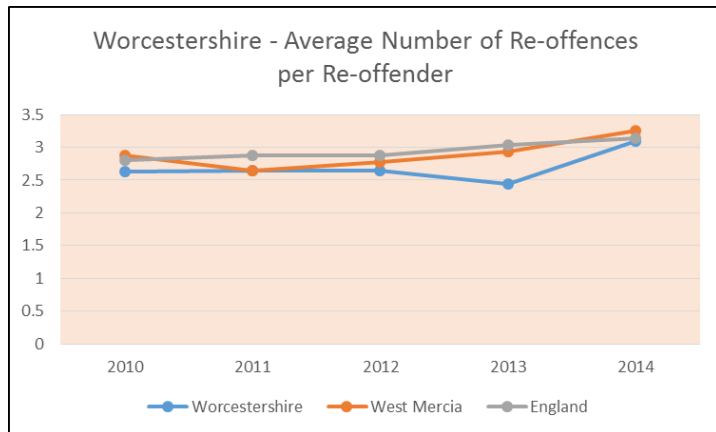
At 510 Worcestershire has the second lowest rate of FTEs across West Mercia, with the highest rate at 641 and lowest at 389. Along with two other West Mercia authority areas, the rate in Worcestershire has increased between 2014 and 2015 from 370 to 510. Further analysis is required to establish the reason for the increased rates

(ii) Use of Custody

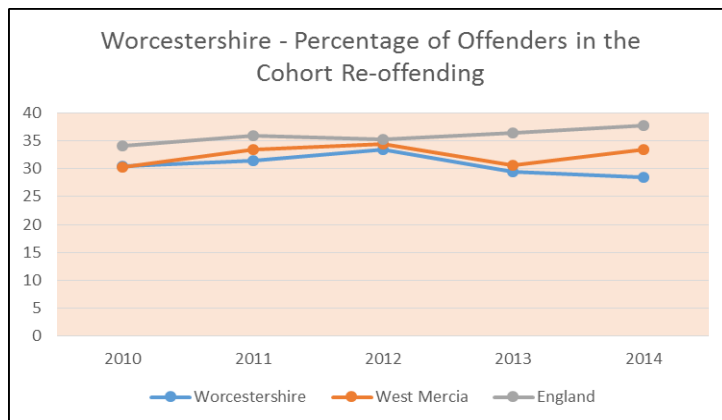
The use of custody measure is expressed as the number of custodial sentences per 1,000 of 10 to 17 year population, a lower rate indicates better performance. Worcestershire has, historically, had a low rate of custodial sentences.

There were 10 custodial sentences during 2015/16, equating to a rate of 0.20 custodial sentences per 1000 youth population this represents a reduction in custodial sentences from 2014/15 where there were 11 custodial sentences equating to a rate of 0.22. The 2015/16 rate of 0.20% compares to the West Mercia rate of 0.14 and a national rate of 0.37.

(iii) Re-Offending



There are two re-offending measures, both measuring re-offending in the same cohort of offenders over a 12 month period following the youth justice sanction that placed the young person in the cohort. The first, the frequency measure, is the average number of re-offences per offender who re-offends in the cohort. The second measure, the binary measure, is the percentage of the offenders in the cohort re-offending. In both cases a lower rate denotes better performance. The most recent data for the re-offending measure is for the year ending June 2014 (July 2013 to June 2014).



The frequency measure performance for Worcestershire for the year ending June 2014 is 3.10, compared to the West Mercia performance of 3.25 and national performance of 3.14. Worcestershire has, therefore, slightly better performance than for West Mercia and England.

For the year ending June 2014 the binary measure for Worcestershire is 28.5% compared with a West Mercia performance of 33.4 and a national performance of 37.7%. This represents an improved performance from 2013 when it was 29.4%. It should also be noted that the overall cohort sizes are decreasing year on year. In the year ending June 2010 there were 929 offenders in the cohort and 742 re-offences compared to a cohort size of 355 with 313 re-offences in 2014. The number of actual re-offences has therefore decreased by -58% between 2010 and 2014.

In 2015/16 the YOS implemented a re-offending tracker tool, which provides re-offending information in real time allowing for review of the interventions at the earliest point where re-offending occurs.

Links to Other Plans

Worcestershire's Children and Young People's Plan 2014 – 17 has two linked priorities to the youth justice plan; children and young people have a healthy lifestyle and children and young people are helped at an early stage. In terms of the healthy lifestyle priority, key areas of focus are reducing the harm caused by drugs and alcohol and improving the emotional health including access to mental health support. Within the group of young people receiving YOS interventions in West Mercia, 33% have substance misuse issues and 40% mental and emotional health issues. Under the priority that children and young people are helped at an early stage the main focus is the early help strategy. It is through the early help strategy that those young people who are at risk of entering the youth justice system for the first time are targeted for intervention.

The Worcestershire Community Safety Board's Community Safety Agreement 2015 – 16 has three directly relevant strategic priorities; reducing re-offending, harm reduction which includes safeguarding and alcohol and drug misuse. The YOS will directly contribute to these priorities through work to reduce youth re-offending, ensuring that young people are protected from harm and in the direct delivery of substance misuse interventions to young people in the youth justice system.

TELFORD & WREKIN COUNCIL

CABINET – 13 October 2016

PROCUREMENT UPDATE

REPORT OF ASSISTANT DIRECTOR OF GOVERNANCE, PROCUREMENT AND COMMISSIONING

LEAD CABINET MEMBER – CLLR LEE CARTER

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

A regular report for Members to consider the update of the Council’s Procurement Intentions Documents and update them on progress with effective procurement and contract management

Council wide procurement continues to drive savings through robust competitive tendering and real time negotiation when brokering services. Savings derived from effective procurement contribute to the Cost Improvement Plans in place across the council.

Savings secured in recent months include:

- £50k re-negotiating a block contract within adults services,
- £31k per annum reviewing a young person’s long term care placement,
- £15k through a change of procurement route for an ICT Product,
- £7k on our new insurance contract,
- £7k per annum on our hygiene contract,
- £3k extra income through increased commission from vending machines.

An opportunity for further savings is proposed for consideration through the trial of electronic signatures when issuing legal documents.

2. RECOMMENDATION

- 2.1 Cabinet to note the procurement updates in this report
- 2.2 Cabinet to note the Procurement Intentions Document (Appendix A) and where indicated, approve delegation to the appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award
- 2.3 Cabinet to agree to a waiver of the relevant Contract Procedure Rules to allow a pilot to trial the use of electronic signatures by the Procurement, Brokerage and Licensing Teams for a period of 3 months.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Best value procurement in line with the Contract Procedure Rules promote engagement of local suppliers and stakeholders
	Will the proposals impact on specific groups of people?	

	No	
TARGET COMPLETION/DELIVERY DATE		The Procurement Intentions Document is a live document regularly updated by SDMs throughout the year with updates to Cabinet every 4 to 6 months dependant upon activity.
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The Council has made ongoing savings of just over £80m since 2009/10. Further savings of £30m will be delivered in 2016/17 and 2017/18 and an estimated £15m - £20m will be required in the following two years. The delivery of future cuts will become increasingly challenging as local government continues to face Government funding reductions. Delivering savings through effective procurement is therefore an important feature of the budget strategy with over £11m being identified since 2009/10. Active contract management also ensures continued value for money is achieved through the life of contracts. Improving social outcomes through the procurement process could also lead to reduced demand on services and potentially lower costs. PH – 14/9/2016
LEGAL ISSUES	Yes	<p>The procurement intentions document, Appendix A, is both transparent for all businesses to be able to see and prepare for forthcoming procurements that the Council will be undertaking but also is a transparent process to evidence appropriate delegations to officers. The delegations sought in this report are for officers to be able to commence and complete the procurement activity detailed in Appendix A and for contracts to be executed, depending upon their value, either under seal or under hand and as such the decisions sought may be key decisions or electronically if part of the trial referred to in the report.</p> <p>All contracts must comply with relevant EU requirements as well as provisions contained within the Council's Contract Procedure Rules. In addition, service contracts must comply with the provisions contained in the Public Services (Social Value) Act 2012. Each procurement will need to follow due process in accordance with the Council's constitutional internal and legislative requirements, with advice from Strategic Procurement Team and Legal Services, if appropriate.</p> <p>In respect of the proposed trial of the electronic signatures Cabinet can agree a waiver of the Contract Procedure Rules if it would be in the interests of the efficient management of the service</p> <p>The Council will utilise resources for permitted purposes as set out in the Procurement Plan and will construe its behaviour against Constitutional standards of financial probity and stringent financial planning and financial risk management as well as risk and equality impact assessments and procurement requirements, which may impact delivery of outcomes.</p>

		MG Legal Service 80787
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Procurement Intentions Document can be published externally. This helps the Council's supply chain prepare for up and coming tender opportunities.
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 Officers are exploring the potential use of electronic signatures when issuing external legal documents; ICT and Procurement are looking at a corporate wide electronic signature system/software which would require funding per licensed user. Efficiencies identified on postage and streamlining the current business processes would cover the cost of licenses and provide additional savings. In addition, this will support mobile working and give our customers and suppliers the benefit of an improved and paperless service.

Example savings based on 7 business units:

Current Manual Process: 50 items of 2nd class mail = £79.50 per week / £318 per month
 Electronic Signature Process: Unlimited items = £210 per month (based on 7 licensed users costing at £30 per month)

Total Saving (postage only) = £108 per month
 Further savings in envelopes, manpower in scanning original documents in to Electronic Document Management system

Cabinet are asked to consider this proposal with a view to agreeing a pilot with Procurement , Brokerage and Licensing.

4.2 The Procurement Team have undergone a recent restructure and as a result now have dedicated Procurement Officers supporting 'Place' based procurement and 'People' based procurement. This supports the National Procurement Strategy and enables a more focused category approach and improved supplier relationship management to help Officers manager their supply chain efficiently.

4.3 Appendix A to this report is the regular Procurement Intentions Document which presents to Cabinet up and coming procurements for the next few months. This is a live document so will also provide an update on procurement already approved.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

6. PREVIOUS MINUTES

Procurement Update 24 March 2016 CB-92 refers

7. BACKGROUND PAPERS

Report prepared by Sarah Bass, Strategic Procurement Ext 82470

Service Area	Key Commissioning /Procurement Intentions	Major contract < £500k /Minor >£500k	Indicative Value of final Contract	Cabinet Approval to Proceed > £500k	Officer Approval to proceed <£500k	Comments
Commercial Services	ICT Cabling	Minor	£150k		Agreed MJ 07/16	Re tender of an expired cabling contract. Chosen route is a DPS to enable mini competitions under call off so ensure VFM for each requirement.
Commercial Services	ICT Oracle Managed Services - UNIX Server Management	Minor	£100k		Agreed MJ 07/16	Re tender of an existing contract for Oracle Managed services via a mini competition on CCS RM1058.
Development, Business & Employment	Management of Lightmoor Wildlife Site	Major	approx. £577K	Agreed CB 58 10/12/15		Lightmoor Wildlife site is currently leased to Shropshire Wildlife Trust to manage on a fixed term of 5 years, following transfer from HCA to TWC. The Council pay the Trust to manage the site on its behalf. As part of the re-tendering of services, we proposed to extend the lease to 25 years. This will enable the successful bidder to then apply for additional external funding, (e.g. from the National Lottery) which would not be available if only let on a short lease. The funding stream to manage the site will therefore grow, further enhancing the Wildlife site and its facilities for the benefit of the residents of Telford.
Development, Business & Employment	Consultant for Severn Gorge Construction work	Minor	Approx £15k grant funded		Agreed 15/08/15	Grant funded - The Severn Gorge Conservation Area (also Iron bridge Gorge World Heritage Site) currently has no Conservation Area Management Plan. The aim of the document is to produce a CAMP which will help with the forthcoming World Heritage Site Supplementary Planning Document to be undertaken by the Council as part of the new Local Plan.
Early Help & Support	Community Connectors Support Planning	Major	TBC - value may not exceed 'Major' values but the community impact is Major and therefore considered Major in this context	Agreed CB-92 24/3/16		We require an 'organisation'/'Community Interest Company' to assist T&W to develop the Community Connector workforce and peers/volunteers from within the community to deliver the service referred to above, within one year and thereafter for the model to be self-sustainable.
Finance & Human Resources	External Audit Contract	Major	Approx £300k for 3 years plus £200k for 2 year extension	Agreed CB-92 24/3/16		To seek External audit contract hopefully through a Sector led Body's framework. Anticipate PSAA will set up a Sector led Body during 2016 so will need to commit to this during 2016 for procurement in 2017. Will need to go to Audit Committee and then Council for delegated approval June 2016
Finance & Human Resources	New Franking machine	Minor	Approx £10k		Agreed 29/2/16	A new franking machine will lead to postage savings for all corporate postage for the Council.Final stages of tender
Finance & Human Resources	Review of Best Value Print Options	Minor	Approx £400k		Agreed 29/2/16	The Council will be reviewing it's print requirements over the coming months and this may result in the need to tender for the service
Health & Wellbeing	Supply of Alcohol and soft drinks for the theatre	Minor	£40K			Current contract Molson Coors. Contract expires in Feb so will commence re procurement through competitive tender in Nov 16
Health & Wellbeing	Supply of professional Pantomime production for Theatre	Minor	£250K			Current producer Shone Productions has 1 year contract with an option to extend for a further 2 years. If Contract does terminate after 1 year, we will need to start re procurement In February 2017
Health & Wellbeing	ice Cream vendor	Minor	Approx 45000			Current contract due for renewal
Health & Wellbeing	Snack Bar vendor	Minor	Approx 5000			Current contract due for renewal
Health & Wellbeing	Design and delivery of a training and development programme for workers across the continuum of need to deliver improved outcomes for emotional health and wellbeing	Minor	£99K		Agreed 01/12/2015	This funding has been received into the Council from the CCG to deliver one work stream of the Children and Young People's Emotional Health and Wellbeing (EHWB) Transformation Plan. The plan was endorsed by NHS England on 1/12/2015 and the funding and the delivery of this work stream will be tracked by the CCG and NHS England. Currently working with stakeholders to scope the procurement activity. Tender to be issues Sept 16
Governance, Procurement & Commissioning	Intermediate Beds (Hospital step down and avoidance)	Major	c£500k	Agreed CB-8 25/06/2015		Extension of the current intermediate beds contract with Morris Care to support efficient step down from hospital. Accord intermediate care beds at Cartridge to run to current contract term. Interim care beds (2) at Farcroft contract to be varied to bring into the intermediate care model. All contracts to be co-terminus to November 2017 to support remodel of whole hospital step down and avoidance model with CCG. this may extend to ECH Units and/or fund third sector organisations as part of the wider model BCF permitting
Governance, Procurement & Commissioning	Intermediate Beds Nursing (Hospital step down and avoidance)	Major	c£622k	Agreed CB-92 24/3/16		Intermediate Care Bed provider has given notice on their current contract. Negotiations are underway with CCG (BCF funding) and Provider to agree a proposal under which contract extension may be possible. Failing agreement on extension, the provision (IC nursing beds) may need to go out to tender

Governance, Procurement & Commissioning	Enhanced Care @ Home service	Major	TBA	Agreed CB-92 24/3/16		Due to over reliance on bed based discharge from hospital and hospital avoidance, an enhanced domiciliary care service may need to be procured. Funding would be required via BCF.
Governance, Procurement & Commissioning	Tier 2 Children's and Adolescents Mental Health Services (CAMHS)	Major	c£400k	Agreed CB-92 24/3/16		Updated- This funding will be the council's contribution to a new 0-25 years EHWB Service to be operational by April 2017. Proposed service model has been agreed and is currently out for consultation. This is a jointly procured service between T&W Council, T&W CCG, Shropshire Council and Shropshire CCG and is part of the EHWB Transformation Plan. Costs are estimate and could go up to take this to a major project or down to keep it as minor. it is to be considered major at this point.
Governance, Procurement & Commissioning	Personalisation	Minor	TBA		Agreed CB-8 25/06/2015	Review, recommendations & implementation of Personalisation for individuals & Carers (e.g. DPs & ISFs as) - may need market growth and management to ensure provision available
Governance, Procurement & Commissioning	Help at Home (Assistive Discharge)	Minor	TBA		Agreed CB-8 25/06/2015	Reviewing service together with T&W-CCG to assess any remaining service gaps in provision. May result in procurement where gaps are found
Governance, Procurement & Commissioning	High Cost Placement Solutions (Residential/Nursing-EMI/Extracare to include Shared Lives)	Major	TBA	Agreed CB-8 25/06/2015		Demand and Supply of Residential/Nursing/Extracare to assist alternative solutions - innovated commissioning and procurement required to meet outcomes and achieve best value
Governance, Procurement & Commissioning	All Statutory Advocacy Services (IMCA – Independent Mental Capacity Adv, IMHA – Independent Mental Health Adv, NCAS – NHS Complaints Adv Service)	Major	TBA	Agreed CB-8 25/06/2015		To ensure that all statutory mental health provision is contractually aligned with a more effective commissioned solution. May result in procurement where gaps are found
Governance, Procurement & Commissioning	Extracare Schemes	Major	TBA	Agreed CB-8 25/06/2015		To ensure alignment and extension of contracts, as part of remodelling of an Extracare under the Long Term Supported Accommodation project
Governance, Procurement & Commissioning	Long Term Supported Accommodation	Major	over £500k	Agreed CB-8 25/06/2015		To review all Long Term Supported Accommodation services to ensure the most effective and efficient service and re procure where required. Project will commence in Nov 15 with a plan to implement any new services by Nov 16 to include Better Care Fund and Community Capacity Building projects (including Reduction of Social Isolation) . The project will incorporate the review of Sheltered Housing Services and a number of Supported Accommodation services including ALD services and Floating Support.
Governance, Procurement & Commissioning	Community Capacity	Major	£TBC			Updated: Community Capacity Building projects. The TWC and CCG have jointly reviewed all providers and agreed priorities for funding, future utilisation and development and support of community resilience. Council contribution of £355,600 & CCG contribution of £466,549 to develop joint Frameworks to be developed: 2 x tenders £ of Grants and £ of Contracts to be procured annually from 1 April 2017.
Governance, Procurement & Commissioning	Community Resilience	Minor	TBC			Updated: To reduce social isolation in older people. Minimum of 15 social hubs are required across the locality. A Grant of £35k pa to be offered under 3 quotes procurement process. Initial period of 2yrs plus option to extend for further 2yrs subject to performance.
Governance, Procurement & Commissioning	Healthwatch	Minor	300k		Agreed CB-8 25/06/2015	Updated - The contract for Healthwatch was novated from Parkwood to Healthwatch Telford and Wrekin Ltd on 1st October 2015. Consequently the contract has been extended until March 2017. A decision has been taken with the budget holders approval to extend until March 2018. A review and retender of the service will need to commence in June 2017.
Governance, Procurement & Commissioning	Residential & Nursing - Bed Purchasing	Major	TBA	Agreed CB-8 25/06/2015		Due to increasing demand on supply of residential & nursing provision potential block purchasing may be required

Governance, Procurement & Commissioning	West Midlands Sub-Regional Supported Accommodation (Care Leavers) Framework	Major	TBC'd T&W annual spend for 14/15 - £360,000	Agreed CB-92 24/3/16		The current framework ends November 2016. We are working as a region to re tender. The contract is anticipated to be 2 years plus a further 2 year extension period in 12 monthly increments. Our spend in 2014/2015 was £360,000. We will be using the Framework as a secondary measure in the instance that a young persons needs are not manageable under the Short Term Supported Accommodation contract due to their complexity or level of support required. Spend has already reduced although we anticipate this will reduce further. Market engagement events are due to be commenced at the end of January 2016.
---	---	-------	---	----------------------	--	--

Contract Award Due Date	Lead Officer
Nov-16	Karen Stevens
Nov-16	Andrew Lawson
Apr-17	David Scrimgeour
Oct-16	Phoebe Farrell
Oct-16	Clare Hall Slater
Dec-17	Jenny Marriott
Sep-16	Sophie Lane
Dec-16	Sophie Lane
Feb-17	Debbie King
Jan-19	Debbie King
Jan-17	Nicola Allen
Jan-17	Nicola Allen
Mar-17	Louise Mills
Mar-18	Laura Thorogood
Mar-18	Laura Thorogood

Oct-16	Laura Thorogood
Dec-16	Laura Thorogood
Mar-18	Laura Thorogood
Oct-16	Laura Thorogood
Mar-17	Laura Thorogood
Oct-16	Laura Thorogood
Nov-18	Laura Thorogood
Mar-18	Laura Thorogood
Mar-17	Laura Thorogood
Apr-17	Laura Thorogood
Mar-17	Laura Thorogood
Mar-18	Laura Thorogood

Nov-16	Laura Thorogood
--------	-----------------

TELFORD & WREKIN COUNCIL**CABINET – 13 OCTOBER 2016****WEST MERCIA ENERGY JOINT AGREEMENT****REPORT OF ASSISTANT DIRECTOR OF FINANCE AND HUMAN RESOURCES****LEAD CABINET MEMBER – CLLR LEE CARTER****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

It is proposed to update the main agreement for West Mercia Energy (WME) between the constituent authorities, together with the related financial regulations, contract standing orders and scheme of delegation. A draft proposal has been agreed by Legal and Finance officers and is now being ratified through each authority's cabinet process. Details of the changes are provided in Part B. These suggested governance changes do not impact on the Council's Constitution.

2. RECOMMENDATION

- 2.1 That Cabinet note the discussions taking place between the owning Authorities; Telford & Wrekin, Shropshire Council, Herefordshire Council and Worcestershire Council;
- 2.2 agrees that the current governance arrangements for WME may be amended in line with the report; and
- 2.3 authorise the Assistant Director of Finance and Human Resources to finalise and execute amendments to the governance arrangements in Consultation with the Assistant Director of Governance, Procurement and Commissioning.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes/No	The Council currently purchases energy from WME for schools, Colleges and own properties and secures good value for money
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	Agreement to the extension is required by all 4 owning Authorities and is envisaged to be executed and agreed by October 2016	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	The Joint Agreement includes the provision that accumulated surpluses identified for distribution are allocated to Member Authorities each year partly based on the level of trading activity by each Member Authority and partly based on non-member trading activity. There are no proposals to change this methodology. The dividend received by Telford & Wrekin in 2015/16 was £519k although it is anticipated that this will fall in future due to current trading conditions and an allowance for this has been included in the budget strategy. The amendments to the agreement state that a Member Authority may terminate the agreement by giving 12 months written notice; It should be noted that at this point an assessment of liabilities will be determined to assess monies due or from the exiting authority. PH – 14/9/2016
LEGAL ISSUES	Yes/No	The Cabinet has delegated day to day decision-making to the West Mercia Energy Joint Committee where Telford & Wrekin Council are currently represented by Cllrs L Carter and A England. However as the proposals are significant and extend the agreement and propose significant amendments to the current joint agreement it is appropriate that this delegation is approved by Cabinet
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes/No	Any decisions about the future development of the WME business are determined by a Joint Committee upon which Telford & Wrekin Council are represented by Cllr L Carter and Cllr A

		England, acting upon information from an advisory group comprising of senior officers.
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 In 2012 Cabinet granted approval for the Council to enter into a Joint Agreement with Shropshire Herefordshire and Worcestershire Councils to form West Mercia Energy.
- 4.2 New governance arrangements be considered by the WME joint committee on 26 September 2016 with final ratification being end of October 2016 once all owners have agreement from their Cabinet. This report acknowledges that some of the details may change following the WME meeting.
- 4.3 It is proposed that Shropshire Council continues as the lead authority to employ staff and hold property on behalf of the constituent authorities of WME. The lead authority appoints the Secretary and Treasurer to the WME joint committee and it is proposed to clarify their specific responsibilities.
- 4.4 The main governance changes currently proposed to the main agreement are:
- to move from a fixed-term life (extendable by agreement) to an ongoing commitment, with a restricted ability for a constituent authority to terminate their participation and withdraw from WME
 - greater clarity on access to information provisions to ensure the due circulation of reports and minutes. Meetings of the WME joint committee will be open to the public unless it moves into private session to deal with exempt material as permitted by the legislation
 - the lead authority's Code of Conduct will apply in respect of declarations of interest at WME joint committee meetings
 - the WME joint committee will adopt Strategic Policies necessary for the proper operation of WME
 - decisions of the joint committee will be subject to scrutiny by the constituent authorities and its decisions can also be called-in within each constituent authority, using their own respective mechanisms. Any call-in must take be exercised by 5pm on the 5th working day after the decision is published, and can only be in relation to a decision or action affecting the constituent authority whose membership wishes to call it in. The call-in is then dealt with by the constituent authority following its own Scrutiny processes

- the constituent authorities may jointly and unanimously agree to discontinue WME and its assets shall be distributed fairly and reasonably between them
 - no authority can withdraw from WME during the term of any Key Contract with a Utility Supplier
 - otherwise, an authority can give at least 12 months' notice to withdraw but withdrawal will only take place on the expiry of any agreements with Utility Suppliers to which that authority is a party. At point of termination an assessment of liabilities will be determined to assess monies due or from the existing authority
- 4.5 WME continue to efficiently and effectively trade energy on behalf of the owners, keeping prices competitive and service levels good. In July WME recruited a Business Manager whose role is to increase new business for WME. This will strengthen the portfolio and any future dividend for owners whilst still offering a competitive value for money service to the public sector
- 4.6 A copy of the amended agreement complete with tracked changes is included in background papers

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

6. **PREVIOUS MINUTES**

7. **BACKGROUND PAPERS**

Annex A West Mercia Energy Joint Agreement Sept 16

Report prepared by Sarah Bass, Procurement & Brokerage Ext 82470

DATED 20th day of June 2013

SHROPSHIRE COUNCIL (1)

THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL (2)

WORCESTERSHIRE COUNTY COUNCIL (3)

THE BOROUGH OF TELFORD & WREKIN (4)

WEST MERCIA ENERGY
JOINT AGREEMENT

THIS AGREEMENT is made the 20th day of June 2013

BETWEEN

- (1) SHROPSHIRE COUNCIL (~~hereinafter referred to as "SC"~~)
- (2) THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL (~~hereinafter referred to as "HC"~~)
- (3) WORCESTERSHIRE COUNTY COUNCIL (~~hereinafter referred to as "WCC"~~)
- (4) THE BOROUGH OF TELFORD & WREKIN (~~hereinafter referred to as "Telford & Wrekin Council"~~)

(hereinafter referred to as "the Member Authorities or "the Member Authority" as the context determines)

WHEREAS

- i) A local authority or any public body may under the Local Authority (Goods and Services) Act 1970 (hereinafter referred to as "the 1970 Act") enter into an agreement for the supply of any goods material or services within the meaning of the 1970 Act to any body or authority referred to in the 1970 Act and local authorities have additional powers to provide services under section 1 of the Localism Act 2011, subject to any restrictions contained therein.
- ii) The Member Authorities ~~have~~ each operate ~~introduced~~ executive arrangements under the provisions of the Local Government Act 2000.
- iii) Following the sale by the Member Authorities of the stationery supplies business operated under the Joint Committee known as West Mercia Supplies, the Executives of each of the Member Authorities have agreed to continue the form a Joint Committee for the purposes of s.101 Local Government Act 1972 (hereinafter called "the 1972 Act") and pursuant to Section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012~~00~~ in accordance with made under s.20 of the Local Government Act 2000 and the Executives of each of the Member Authorities wish to enter this Agreement
- iv) Section 103 of the 1972 Act provides that the expenses incurred by a Joint Committee of two or more local authorities shall be defrayed by those authorities in such proportions as they may agree or in the case of disagreement as may be determined by a single arbitrator appointed by the member authorities on the nomination of the President for the time being of the Chartered Institute of Public Finance and Accountancy in accordance with and subject to the provisions of the Arbitration Act 1996
- v) The Member Authorities have agreed that the Joint Committee shall have the power to appoint staff and that one Member Authority shall be referred to as the Lead Authority. The Lead Authority shall employ the staff and hold property employed, on behalf of the Member Authorities, for the purposes of the Joint Committee.

1. Definitions

1.1 In this agreement where the context so permits the following words shall have the meanings shown:-

<u>Annual Business Plan</u>	<u>shall mean the Plan referred to in Clause 5.3 and 5.4</u>
<u>Chair</u>	<u>shall mean such person as shall from time to time be duly elected to be the Chair of the Joint Committee in accordance with Clause 3.9.</u>
<u>Chief Executive</u>	<u>shall mean the Head of Paid Service of each Member Authority or such other officer as each Member Authority determine</u>
<u>Delegated Functions</u>	<u>shall mean those functions, powers and responsibilities set out in Schedule 2 hereto subject to the restrictions expressed therein and otherwise in this agreement.</u>
<u>Director</u>	<u>shall mean the officer, so designated under paragraph 1(iv) of Schedule 2, employed to operate and manage WME</u>
<u>Executive Elected Member</u>	<u>shall mean any person duly elected to be a Council Member of any of the Member Authorities who is also a Member of the Executive of that Member Authority.</u>
<u>Key Contract</u>	<u>means a contract entered into on behalf of the Member Authorities as directed by the Joint Committee with a Utility Supplier which the Joint Committee designates as a contract during which a Member Authority may not withdraw from membership of the Joint Committee. Contracts for the supply of gas and electricity shall automatically be deemed Key Contracts unless otherwise agreed by the Joint Committee.</u>
<u>Key Decision</u>	<u>A decision likely to be taken by the Joint Committee, or by an officer pursuant to a delegation by the Joint Committee, which is likely to result in income, expenditure or savings of £500,000 or greater, or to have a significant effect, on, two or more Electoral Divisions of a Member Authority.</u>
<u>Joint Committee Member</u>	<u>shall mean an Executive Elected Member who shall from time to time be nominated by a Member Authority to represent the executive of that Member Authority on the Joint Committee.</u>
<u>Joint Committee</u>	<u>shall mean the Joint Committee established by this agreement referred to at paragraph 2.1</u>
<u>Lead Authority</u>	<u>shall mean Shropshire Council or such other Member Authority as may from time to time be agreed by a majority of the Member Authorities in writing</u>
<u>Member Authority</u>	<u>shall mean each authority included in Schedule 1 hereto</u>

	<u>and the phrase “Member Authorities” shall be interpreted accordingly.</u>
<u>Overview and Scrutiny</u>	<u>means the arrangements of each Member Authority in respect of a committee which oversees and scrutinises each Member Authority’s involvement in the decisions of the Joint Committee in accordance with the Local Government Act 2000 (as amended) and any statutory instruments made thereunder.</u>
<u>Scheme of Delegation</u>	<u>shall mean a written record of any delegations made by the Joint Committee</u>
<u>Strategic Policies</u>	<u>shall mean the Policies referred to in Clause 5.2.</u>
<u>Utility Supplier</u>	<u>means a supplier of gas, electricity or any other utility service with whom WME has agreed to purchase services on behalf of the Member Authorities and WME Customers.</u>
<u>Vice-Chair</u>	<u>shall mean the person from time to time elected to be Vice-Chairman of the Joint Committee in accordance with Clause 3.9</u>
<u>West Mercia Energy or “WME”</u>	<u>shall mean West Mercia Energy business operated under the authority of the Joint Committee.</u>

- 1.1 ~~Member Authority~~ shall mean each authority included in Schedule 1 hereto and the phrase “Member Authorities” shall be interpreted accordingly.
- 1.2 ~~Lead Authority~~ shall mean Shropshire Council or such other Member Authority as may from time to time be agreed by a majority of the Member Authorities in writing.
- 1.3 ~~Delegated Functions~~ shall mean those functions, powers and responsibilities set out in Schedule 2 hereto subject to the restrictions expressed therein and otherwise in this agreement.
- 1.4 ~~Director~~ shall mean the officer, so designated under paragraph 1(iv) of Schedule 2, employed to operate and manage WME.
- 1.5 ~~West Mercia Energy or “WME”~~ shall mean West Mercia Energy business operated under the authority of the Joint Committee.
- 1.6 ~~Strategic Policies~~ shall mean the Policies referred to in Clause 5.2.
- 1.7 ~~Annual Business Plan~~ shall mean the Plan referred to in Clause 5.3 and 5.4
- 1.8 ~~Joint Committee~~ shall mean the Joint Committee established by this agreement referred to at paragraph 2.1
- 1.9 ~~Chief Executive~~ shall mean the Head of Paid Service of each Member Authority or such other officer as each Member Authority shall determine.
- 1.10 ~~Executive Elected Member~~ shall mean any person duly elected to be a Council Member of any of the Member Authorities who is also a Member of the Executive of that Member Authority.
- 1.11 ~~Joint Committee Member~~ shall mean an Executive Elected Member who shall from time to time be nominated by a Member Authority to represent the executive of

- 1.12 ~~Chair~~ ~~that Member Authority on the Joint Committee.~~ shall mean such person as shall from time to time be duly elected to be the Chair of the Joint Committee in accordance with Clause 3.9.
- 1.13 ~~Vice-Chair~~ shall mean the person from time to time elected to be ~~Vice-Chairman of the Joint Committee in accordance with Clause 3.9~~
- 1.244 Any reference to a statutory provision, subordinate legislation or other enactment includes reference to it as amended, extended or replaced from time to time and includes any subordinate legislation, byelaw or other enactment made under it.
- 1.345- Where the word 'including' is used in this Agreement, it shall be understood as meaning 'including without limitation'.
- 1.446- This Agreement shall be governed by English Law and where the context so admits the words contained in the Definitions Section shall bear the meanings specified therein.

NOW IT IS HEREBY AGREED as follows:

2. The Joint Committee

- 2.1 The Executives of the Member Authorities agree to form a Joint Committee which shall arrange for the discharge of their functions, as set out in clause 4, in connection with this Agreement under the name West Mercia Energy.
- 2.2 The Member Authorities agree that the role of the Joint Committee shall be strategic in nature and that whilst the Joint Committee shall maintain a strategic oversight of the business of WME the day to day running of that business and the implementation of any strategy agreed by the Joint Committee shall be delegated to the appointed Director.
- 2.3 The Joint Committee shall have the power to appoint sub-committees comprising ~~Joint Committee Members or officers of the Member Authorities~~, and the Joint Committee may delegate such of its functions to a sub-committee as it deems reasonably necessary.
- 2.3A The Joint Committee may set up advisory groups as required to enable it to execute its responsibilities effectively and may delegate tasks as it sees fit to these groups, which may be formed of officers or members of the Member Authorities or such third parties as the Joint Committee considers appropriate.
- 2.3B The Joint Committee may delegate such of its functions to the Director or officers of the Member Authorities as it sees fit to provide for the effective operation of the business conducted on behalf of the Joint Committee.
- 2.4 The Lead Authority shall appoint from its officers a ~~S~~secretary to undertake the role set out in Clause 2.5 below ("the Secretary") and a ~~T~~treasurer to undertake the role set out in Clause 2.6 below ("the Treasurer") to the WME Joint Committee. The Secretary and Treasurer shall liaise with the monitoring officers and section 151 Officers the ~~Treasurers~~ of the Member Authorities to enable those officers to comply with their responsibilities under Section 5 of the Local Government and Housing Act 1989 and Section 151 of the Local Government Act 1972.
- 2.5 The responsibilities of the Secretary shall be as follows: ~~responsible for the production and compilation of the Joint Committee's agenda and minutes and shall provide legal advice and services to the Committee.~~

- i. to make all necessary arrangements for the publication of forthcoming decisions, convening of meetings of the Joint Committee and any Sub-Committees, to ensure that the meetings and decision making of the Joint Committee are undertaken in accordance with legal requirements;
- ii. to provide, or, where necessary, procure the provision of, all necessary legal advice on matters under consideration by the Joint Committee or relevant to the Committee's functions;
- iii. to arrange for the taking and maintenance of minutes of meetings of the Joint Committee and any Sub-Committees, the publication of any resulting decisions and ensure that the business of the Joint Committee at its meetings is conducted in accordance with legal requirements;
- iv. to manage and co-ordinate the day-to-day affairs of the Joint Committee and its administrative support.

2.6 The responsibilities of the Treasurer shall be as follows:

- i. to provide financial advice to the Joint Committee;
- ii. in conjunction with the Director, to prepare an annual budget for the Joint Committee;
- iii. in conjunction with the Director, to keep proper accounts of the monies received and expended by the Joint Committee;
- iv. to calculate overheads and in accordance with clause 7 below; and
- v. the calculation, apportionment and distribution of any accumulated surplus in accordance with clause 8 below;
- vi. the calculation and apportionment of liabilities in accordance with clause 9 below;
- vii. to fulfil or arrange the requirements in respect of the external audit of the Joint Committee;
- viii. to ensure that an appropriate internal audit function is provided to the Joint Committee;
- ix. to present to the Joint Committee the annual statement of accounts for approval.

2.7 The Joint Committee or the Director as appropriate may arrange for the purchase of other services from wheresoever it considers such services are most efficiently and effectively provided.

2.8 The costs of all services mentioned in 2.4 shall be a charge levied on the annual budget of WME.

Membership

3. Membership and Meetings

3.1 Membership of This Agreement WME shall run from 1st April 2013 and shall continue until terminated in accordance with clause 10.1, or in respect of an individual Member Authority's membership, until their membership is terminated in accordance with clause 10.3. until 31st March 2020 and thereafter may be extended by agreement between the Member Authorities.

3.2 Wherever in this Agreement the Member Authorities have the power to decide any matter by majority vote then each Member Authority shall have such number of votes as that Member Authority has representatives (or an entitlement to representatives) on the Joint Committee. Unless otherwise stated, any reference in this Agreement to the 'approval' of the Joint Committee shall be taken to mean approval provided by the Joint Committee by way of a majority vote.

- 3.2A All voting shall be by a show of hands, unless the provisions of paragraph 3.2B below apply. Any question coming before the Joint Committee shall be decided by a simple majority of those present and voting the Chair having the casting vote in the event of an equality of votes in addition to his/her vote as a member of the Committee.
- 3.2B Recorded votes shall be taken if requested by any one Committee Member, and any Member shall have the right to have the way s/he individually voted (or abstained) recorded in the minutes.
- 3.3 Each Member Authority shall be entitled to appoint that number of their Executive Elected Members as specified in Schedule 1 hereto to serve on the Joint Committee for a term expiring upon the retirement of the Executive Elected member following Council elections or unless earlier replaced by the appointing Member Authority following written notice to the Secretary (such written notice may be given by electronic mail) which will take effect upon receipt unless any later date is specified. Substitute members may be appointed in accordance with clause 3.11 below.
- 3.4 A Joint Committee Member appointed in accordance with 3.3 shall nevertheless cease to be a Joint Committee Member when he or she ceases to be an Executive Elected Member of the Member Authority by whom he or she is appointed.
- 3.5 Appointments should be notified formally in writing to the Secretary of the Joint Committee by the Chief Executive or other nominated officer for each Member Authority (such written notice may be given by electronic mail).
- 3.6 Any Joint Committee Members who are absent from meetings of the Joint Committee for three consecutive meetings (unless excused by the Joint Committee) or who communicate in writing to the Secretary to the Joint Committee a wish to resign shall thereupon cease to be Joint Committee Members. The Secretary shall notify the relevant Member Authority and invite them to appoint replacement Joint Committee Members in accordance with clause 3.3.
- 3.7 Notices of meetings and accompanying documents shall be sent to the members ~~and officers~~ of the Joint Committee and relevant officers of each Member Authority by the Secretary of the Joint Committee in accordance with clause 3.7C. ~~to the Chief Executive of each Member Authority by the Secretary of the Joint Committee.~~
- 3.7A The Secretary shall undertake the publication of notices of meetings and accompanying documents and conduct the Joint Committee's meetings in accordance with the 'Access to Information Procedure Rules' as contained within the Lead Authority's constitution. These requirements will include the publication of notices of any forthcoming Key Decisions to be taken by the Joint Committee (the 'Forward Plan') on the Lead Authority's website at least 28 clear days before a Key Decision is to be taken and publication of notice of a meeting, copies of the agenda and reports open to the public on the Lead Authority's website at least five clear working days before the meeting. Each Member Authority shall be responsible for ensuring they provide a link from their own website to the information published on the Lead Authority's website, or such other method of publication of the required information as they deem appropriate, in order to comply with their own access to information obligations.
- 3.7B A copy of the notice of meeting, the agenda for each meeting, any relevant reports and the minutes of the previous meeting shall be provided by the Secretary, at least five (5) clear days before such meeting to each Joint Committee Member.
- 3.7C At the same time, such papers will also be provided to:

- (i) to the Chief Executive of each Member Authority or such other senior officer of a Member Authority as may be nominated in writing by a Member Authority to the Secretary's clerk to the Joint Committee meeting;
- (ii) the Monitoring Officer of each member Authority;
- (iii) such other addressees as a Member Authority may nominate in writing from time to time to the Secretary to the Joint Committee.

3.7D The notice of meeting shall contain notice of all business, except urgent business, which is required to be brought before the Joint Committee either in the ordinary course of business, or which is brought by the Chairman, the Vice-Chairman or the clerk of the Committee.

3.7E Meetings of the Joint Committee will be open to the public and press except where the Joint Committee resolve that the press and public be excluded (which may only be during consideration of items containing confidential or exempt information within the meaning of the Local Government Act 1972) and in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

3.7F Minutes of the Joint Committee shall (subject to the provisions of clause 3.7E above) be available to the public and press and published on the Lead Authority's website as though they were minutes of a meeting of a Member Authority.

3.7G Decisions of the Joint Committee shall be published on the Lead Authority's website as soon as reasonably practicable after each meeting. Each Member Authority shall be responsible for ensuring they provide a link from their own website to the Joint Committee decisions published on the Lead Authority's website, or such other method of publication of the required information as they deem appropriate, in order to comply with their own access to information obligations.

3.8 There shall be an Annual Meeting of the Joint Committee in September of each year and at least one further ordinary meeting in February of each year for the approval, inter alia, of the Annual Business Plan unless the Joint Committee shall agree that further meetings are required at such time or times as shall be deemed necessary by the Joint Committee. A Special Meeting may be requisitioned by the Chief Executive of a Member Authority, such requisition to set out the business to be transacted at the meeting and to be delivered to the Secretary of the Joint Committee in normal circumstances at least ten clear working days prior to the date of the meeting and the Secretary shall undertake the relevant publication of notices and documents relating to the Special Meeting in accordance with this clause 3. Where it is certified that the business to be transacted is urgent business the time limit for delivery of such requisition may be waived by the Secretary of the Joint Committee following consultation with the Chair of the Joint Committee. Where a Key Decision is likely to be made at the Special Meeting the provisions of the Lead Authority's 'Access to Information Procedure Rules' in relation to urgent decisions shall apply.

3.9 At the meeting in February 2013 and thereafter every year at the ordinary meeting in February the Joint Committee shall elect by majority vote one of their members to be Chair for the ensuing 12 month period and another member to be Vice-Chair for the same term. The Chair and Vice-Chair shall not be from the same Member Authority ~~nor any person hold office for longer than one term consecutively.~~

3.10 The Chair and Vice-Chair shall hold office until the appointment of their successors as provided for in clause 3.9 above or until such earlier date as they shall cease to be an Executive Elected Member of their respective Member Authorities in which case the respective office shall be filled at the next meeting of the Joint Committee. In the absence of both the Chair and Vice-Chair from a meeting the members present shall before any other business is transacted elect, by majority vote, one of their number to

preside at that meeting.

- 3.11 A substitute member shall only be entitled to attend, speak and vote as if an ordinary member of the Joint Committee where, at least one clear working day prior to the date of the meeting, notice has been given to the Secretary that:
- (i) it is impracticable for the named ordinary member of the Joint Committee to attend a specified meeting;
 - (ii) the named substitute member will attend in place of their named ordinary members; and
 - (iii) the named substitute member is also an Executive Elected Member.
- 3.12 The quorum of the Joint Committee shall be two members from at least two separate member authorities.
- 3.13 The proceedings of the Joint Committee shall not be invalidated by any vacancy in their number or by any defect in the appointment or qualification of any Joint Committee Member whose appointment is properly notified to the Secretary of the Joint Committee.
- 3.14 With the agreement of the Chair of the Joint Committee, or in his absence the Vice-Chair, or the member elected so to act in accordance with 3.10, any Elected Member of the Member Authorities or authorised officers from the Member Authorities or WME may attend and speak but not vote at meetings of the Joint Committee. The Executive Member responsible for procurement policy of each Member Authority or the Leader of the Member Authority shall have the right to attend and speak but not vote if they are not the nominated Joint Committee member.
- 3.15 Notwithstanding the provisions of 3.14, a Member Authority may, with the agreement of the Chair or in his absence the Vice- Chair, or the member elected so to act in accordance with 3.10, invite any person to attend a meeting of the Joint Committee for the purpose of making a presentation, or providing advice or information, on any item relevant to the Joint Committee's functions where that person is able to provide a professional or commercial viewpoint, which the Member Authority considers would be of assistance to the Joint Committee.
- 3.16 Each Joint Committee Member shall observe and comply with the provisions of the Code of Conduct for elected members adopted by their appointing Member Authority ("Code of Conduct").
- 3.17 Where a Joint Committee Member attends a meeting of the Joint Committee they must declare any disclosable pecuniary and other interests as required by their Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.
- 3.18 An interest, other than a disclosable pecuniary interest, which is so remote or insignificant that it cannot reasonably be regarded as likely to influence the actions of the Joint Committee Member may be disregarded if the Joint Committee so resolves.
- 3.19 Where in relation to any meeting a Joint Committee Member has a disclosable pecuniary interest in an item which prevents their participation in the discussion and voting on that item, the Joint Committee Member must leave the room for the duration of the discussion and voting on that matter. In respect of all other interests, the Chair has the right to decide whether a Joint Committee Member declaring an interest can observe the meeting and not contribute or should be asked to leave.

3.20 Where Joint Committee Member(s) has declared an interest which requires them to withdraw from the meeting and vote, the meeting will be deemed to be quorate.

4. Objectives

- 4.1 The objectives of the Joint Committee shall be to maintain effective, efficient and economic arrangements for the purchase and supply of energy at the request of and to the satisfaction of the Member Authorities and to other public bodies, non-profit making charitable organisations, education providers including Academies and private sector organisations delivering services on behalf of public bodies and such other organisations which may be approved by the Joint Committee (including approval via the Annual Business Plan) where it is permitted by law and is to the benefit of Member Authorities to do so.
- 4.2 The Joint Committee shall be responsible for the discharge of the functions of the Member Authorities in relation to those matters delegated by the Member Authorities set out in Schedule 2 hereto.
- 4.3 The Joint Committee shall make available the above services of WME in accordance with the approved Annual Business Plan, the interests of Member Authorities and the law.

5. Procedure

- 5.1 WME shall, following approval by the Joint Committee, adopt and operate a set of financial procedures and standing orders ~~regulations~~ for the procurement of goods and services.

5.1A In the absence of any specific Standing Orders adopted by WME applicable to an issue, the Lead Authority's standing orders shall apply to the Joint Committee in respect of that issue.

- 5.2 The Joint Committee shall ~~approve and adopt~~ ~~produce~~ and thereafter keep under review ~~Strategic Policies for adoption~~ strategic policies necessary for the proper operation of the Committee and the WME business ("the Strategic Policies"), and where appropriate shall adopt the Lead Authority's relevant policies (with or without revision) and shall conduct its affairs in conformity with the provisions of such Strategic Policies or subsequent amendment. The Strategic Policies shall include ~~comprise~~:-

- i) ~~an the Lead Authority's~~ Equal Opportunities Policy;
- ii) ~~a the Lead Authority's~~ Health and Safety Policy;
- iii) pay and conditions for WME staff, together with other relevant employment policies where these are different to those of the Lead Authority; and
- iv) Standing Orders in respect of contract and procurement matters; and
- v) a set of financial regulations governing the operation of the financial matters of WME;
- vi) ~~the Lead Authority's~~ policies relating to modern environmental practices and sound environmental sustainability in the sourcing of its products and services from suppliers;
- vii) a risk management strategy.

- 5.3 The Joint Committee shall approve an Annual Business Plan. The Annual Business Plan shall be recommended to the Joint Committee by the Chief Executives of the Member Authorities. The Chief Executives of the Member Authorities may recommend any material variations to the Annual Business Plan to the Joint Committee,

including the acquisition of new customer markets not already referred to therein.

- 5.4 The Annual Business Plan shall comprise a comprehensive statement of the business aims and proposed actions of the Joint Committee for the ensuing financial year and inter alia shall include:-
- i) business and financial objectives
 - ii) performance standards
 - iii) marketing strategy
 - iv) indicative staffing levels and changes
 - v) proposed main activities
 - vi) permitted trading and customer markets that the Director has authority to engage in
- 5.5 The Joint Committee shall agree its own detailed budgets for internal use by the Joint Committee at a level of detail by the Treasurer and Director as necessary to exercise proper management control of the activities of WME. Such budgets shall be in accordance with the Annual Business Plan.
- 5.6 The Joint Committee (or the Director as provided in the Scheme of Delegation) shall be empowered to make any necessary operational decisions necessary for the effective operation of WME including the virement of budgets and appointment of staff provided any such actions are consistent with the approved Standing Orders, Financial Regulations, Annual Business Plan and Strategic Policies.

5A. Scrutiny Arrangements

5A.1 The decisions made by (and, for the avoidance of doubt, not mere recommendations of) the Joint Committee shall be subject to the Overview and Scrutiny arrangements of each Member Authority.

5A.2 Notification of the publication of decisions of the Joint Committee on the Lead Authority's website shall be sent to the nominated contact within each Member Authority (who has responsibility for administering that Member Authority's committee or democratic process) together with all those to whom agenda papers etc are despatched as soon as possible after publication in accordance with clause 3.7G above. Each Member Authority shall circulate notification of the publication of such decisions as they deem appropriate within their own authority.

5A.3 The Joint Committee Members and their officer advisers shall fully cooperate with the relevant Overview and Scrutiny Committee of the Member Authorities.

5A.4 Any decision or action of the Joint Committee may be called in for scrutiny by members of a Member Authority. A decision is called in by members of a Member Authority in the same way in which they would call in a decision of that Member Authority's Executive except that:

- (a) decision may not be called-in after 5pm on the 5th working day after the date upon which the decision is published.
- (b) a call in of such a decision or action can only be made if the decision or action concerned affects the Member Authority whose membership wishes to call in the decision or action.

5A.5 Once a decision is called in it may not be implemented until the Overview and Scrutiny arrangements of the Member Authority whose membership has called in the decision or action has been completed or if called in by more than one such Member Authority, until the last has been completed. Where a Member Authority's Overview and Scrutiny committee or a full Council requires reconsideration of the decision by the Joint Committee the Joint Committee shall arrange for the decision to be reconsidered in the

light of comments made by the Committee or the full Council and the final decision of the Joint Committee shall not be subject to call in.

6. Reports

- 6.1 The Joint Committee shall receive in each year at each September annual meeting the report of the Director and the Treasurer in respect of the twelve months ending the Thirty first day of March of that year and a copy thereof shall be forwarded to the Chief Executive of each Member Authority.
- 6.2 The reports shall include, inter alia:-
- a) A statement showing progress in achieving the objectives in the Annual Business Plan including a report and financial statement on the operation of WME.
 - b) A summary revenue account and statement of capital spending including the recommendations as to the distribution or use of any revenue surplus and the financing of any capital expenditure.
- 6.3 At each meeting of the Joint Committee the Joint Committee shall consider whether it will be appropriate to task the Director with the holding of meetings or the undertaking of reviews on any matter (at the absolute discretion of the Joint Committee) upon which it shall require a formal report to be presented at its next or any subsequent meeting. .

7. Overheads, Pricing and Financial Requirements

- 7.1 The costs of all overheads including staffing costs and liabilities shall be recovered as an oncost on any energy or services sold.
- 7.2 The prices at which energy and services shall be sold shall be at the discretion of the Director. The Director will fix prices with a view to attaining the following objectives:-
- a) Meeting budgeted operating costs for the ensuing year.
 - b) Achieving the projected surplus of income over expenditure in accordance with the agreed Annual Business Plan.
- 7.3 a) The Joint Committee shall determine the level of accumulated surplus that shall be retained for contingency, for future investment or for other reserve purposes, having considered the recommendations of the Treasurer and Director; and
- b) The whole or any part of any remaining accumulated surplus balance (not otherwise retained for contingency, future investment or reserve purposes) shall be distributed to the Member Authorities in the manner described in clause 8 hereto
- 7.4 Interest due or accrued on credit or debt balances with the Lead Authority shall be accounted for.
- 7.5 The accounts and records of WME shall be subject to a continuous process of audit by the Treasurer to the Joint Committee and shall also be subject to audit in accordance with the provisions of Sections 2 and 3 of the Audit Commission Act 1998. The Member Authorities agree to recommend to the Commission that the same auditors should be appointed to audit the accounts of the Lead Authority and the Joint Committee.
- 7.6 The accounts and records of WME shall be open for inspection by the Chief Finance

Officer or other nominated officer of any Member Authority.

8. Distribution of Surplus

8.1 In September of each year the accumulated surplus identified in clause 7.3(b) shall be distributed in accordance with the relevant provisions of this clause 8.

8.2 ~~NOT USED~~ The accumulated surplus identified for distribution in September 2012 shall be distributed to each Member Authority in accordance with clause 8.5.

8.3 ~~NOT USED~~ The accumulated surplus identified for distribution in September 2013 shall be distributed to each Member Authority in proportions calculated using the arithmetic mean of the proportions identified by the distribution method stated in clause 8.5 and proportions identified by the distribution method stated in clause 8.6

8.4 ~~NOT USED~~ The accumulated surplus identified for distribution in September 2014 and in September of each subsequent year during the term of this Agreement shall be distributed to each Member Authority in accordance with clause 8.6.

8.5 ~~NOT USED~~ In respect of clause 8.2 the balance of the accumulated surplus shall be distributed as follows:

a) ~~the proportion of the accumulated surplus identified as arising from sales and receipts generated by transactions other than with a Member Authority shall be divided and distributed between the Member Authorities in equal shares (which for the avoidance of doubt shall be a 25% share for each of the Member Authorities)~~

b) ~~the amount of the accumulated surplus identified which is attributable to the use of WME (or its predecessor West Mercia Supplies) by transactions with the Member~~

~~Authorities shall be divided between the Member Authorities in a ratio equal and rounded to the nearest 0.5% percentile equivalent of their respective previous five year purchasing history of each Member Authority from WME (or its predecessor West Mercia Supplies)~~

8.6 ~~In respect of clause 8.4~~ The balance of the accumulated surplus identified for distribution shall be divided and distributed to each Member Authority as follows:

a) each Member Authority shall receive a percentage share of the accumulated surplus identified for distribution arising from transactions with the Member Authorities calculated in accordance with the percentage of the gross profit generated by the receiving Member Authority's transactions with WME during the financial year prior to the date of distribution; and

b) each Member Authority shall receive 25% of the accumulated surplus identified for distribution generated by transactions with non-Member Authority customers during the financial year prior to the date of distribution .

9. Obligations of Member Authorities

9.1 Each Member Authority shall defray the expenses of their own respective Joint Committee Members.

9.1A Except as expressly stated, where the costs, expenses and liabilities of the Joint Committee and the operation of the business cannot be met out of the monies identified

in clause 7.3a the provisions of clause 9.2 and 9.3 below shall apply.

- 9.2 Subject to clause 9.3, the Member Authorities shall be jointly liable in equal shares and shall indemnify the Lead Authority for the liabilities of WME in respect of all claims, liabilities and costs incurred by the Lead Authority in respect of the staff employed or previously employed by the Lead Authority for the purposes of WME or its predecessor West Mercia Supplies.
- 9.3 Contracts entered into in the name of WME (or in its previous name of West Mercia Supplies or 'WMS) shall be the joint and several liability of all Member Authorities. Where contracts are entered into by WME on behalf of a named body it shall be presumed that WME acts as agent for that body unless the contrary can be shown.
- 9.4 Clauses 9.2 and 9.3 shall survive the termination of this agreement.

10. Termination

- 10.1 ~~NOT USED For the avoidance of doubt the Member Authorities agree that they may not withdraw from membership during the term of this agreement.~~
- 10.2 If the Member Authorities at any time jointly and unanimously decide that it is expedient to discontinue WME any assets vested in it or in the Lead Authority in trust for the Member Authorities shall be distributed amongst the Member Authorities at the time of such discontinuance in such manner as the Member Authorities may jointly determine to be fair and reasonable after payment of all expenses or liabilities properly incurred. For the avoidance of doubt all expenses and liabilities shall include any redundancy costs or pension fund deficit, actuarially assessed at the date of termination, or any such related costs payable by the Lead Authority in respect of the employees of WME Any deficit arising at such time shall be borne by the Member Authorities in equal shares.
- 10.3 The Member Authorities agree that an individual Member Authority may not withdraw from membership during the term of any Key Contract with a Utility Supplier to which that Member Authority is a party on behalf of WME.
- 10.4 Subject to 10.3 above, should an individual Member Authority wish to terminate their membership of the Joint Committee they may serve at least 12 months written notice of termination ("the Notice") to the Chief Executives of the other Member Authorities and the Director to take effect on the latest date of expiry of any unexpired agreements with the Utility Supplier(s) to which the individual Member Authority is a party at the date the Notice is served.
- 10.5 Where an individual Member Authority has served Notice further to clause 10.4 (hereafter "the Exiting Authority"), during the Notice period the Exiting Authority shall not be a party to any renewal of an Utility Supplier contract and the Exiting Authority shall cease to be entitled to any surplus generated from that renewed Utility Supplier contract whilst the Notice period is being served. During the Notice period the Exiting Authority shall not remove any sites from the list of sites being supplied under the Energy Supply contracts without the approval of the Director.
- 10.6 The Treasurer shall assess the assets and liabilities of the Joint Committee as they exist at the date of termination of the Exiting Authority's membership of the Joint Committee. Upon exit, the Exiting Authority shall be entitled to an equal share of the value of any assets held on behalf of the Joint Committee net of any liabilities of the Joint Committee.

The Exiting Authority shall be liable for an equal share of any liabilities of the Joint Committee incurred up to the date of their exit, irrespective of whether the liability is claimed prior to or after the date of exit which shall include the Exiting Authority's equal contribution to any pension fund deficit actuarially assessed as at the date of exit. The Treasurer shall calculate any amount due to or from the Exiting Authority as at the date of exit of the Exiting Authority. Any payments for liabilities due from the Exiting Authority may be deducted from any surpluses due to the Exiting Authority in accordance with this Agreement or from any payment due upon exit to reflect the value of any share of the assets of the Joint Committee to which the Exiting Authority is entitled.

10.7 Where the Joint Committee requests a payment from the Exiting Authority for a contribution to its liabilities in accordance with clause 10.6, the Exiting Authority shall make the relevant payment within 20 days of receipt of the request.

10.8 Following receipt of a Notice pursuant to clause 10.4, where the remaining Member Authorities jointly decide that it is not expedient to continue with the Joint Committee, the provisions of clause 10.2 shall take effect and apply in precedence over the remainder of this clause and the Notice shall be revoked.

11 Disputes

11.1 Any dispute arising under or out of this Agreement shall be referred by a Member Authority, by notice in writing to the others, to the Chief Executives of the Member Authorities, who shall co-operate in good faith to resolve the dispute as amicably as possible within 30 days of service of the notice.

11.2 If the matter is not resolved by negotiation within 30 days of receipt of a written 'invitation to negotiate', the parties will attempt to resolve the dispute in good faith through an agreed Alternative Dispute Resolution (ADR) procedure, or in default of agreement, through an ADR procedure as recommended to the parties by the President or the Deputy President, for the time being, of the Chartered Institute of Arbitrators.

11.3 If the matter has not been resolved by an ADR procedure within 60 days of the initiation of that procedure, or if any party will not participate in an ADR procedure, the dispute may be referred to arbitration by any party. The seat of the arbitration shall be England and Wales. The arbitration shall be governed by both the Arbitration Act 1996 and Rules as agreed between the parties. Should the parties be unable to agree on an arbitrator or arbitrators, or be unable to agree on the Rules for Arbitration, any party may, upon giving written notice to other parties, apply to the President or the Deputy President, for the time being, of the Chartered Institute of Arbitrators for the appointment of an Arbitrator or Arbitrators and for any decision on rules that may be necessary.

11.4 Nothing in this clause shall be construed as prohibiting a party from applying to a court for interim injunctive relief.

12. Amendment

12. This Agreement may be varied from time to time by the unanimous decision of the Member Authorities who remain in membership at the time of such amendments such amendments being recorded in memoranda to be attached hereto and executed under the hands of the duly authorised Officers on behalf of the Member Authorities.

IN WITNESS whereof Shropshire Council, The County of Herefordshire County, Worcestershire County Council and The Borough of Telford & Wrekin ~~Council~~ have caused their respective common seals to be hereunto fixed the day and year first before written.

THE COMMON SEAL of SHROPSHIRE)
) COUNCIL was hereunto)
affixed in the present of:)
the date and year first before written)

SEALED BY SHROPSHIRE COUNCIL

THE COMMON SEAL of THE COUNTY)
OF HEREFORDSHIRE DISTRICT COUNCIL)
was hereunto affixed in the presence of:)
the date and year first before written)
)

SEALED BY THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

THE COMMON SEAL of THE COUNTY)
OF WORCESTERSHIRE COUNTY COUNCIL)
was hereunto affixed in the presence of:)
the date and year first before written)
)

SEALED BY WORCESTERSHIRE COUNTY COUNCIL

THE COMMON SEAL of THE BOROUGH OF)
TELFORD & WREKIN ~~COUNCIL~~ was hereunto)
affixed in the presence of:)
the date and year first before written)

SEALED BY THE BOROUGH OF TELFORD & WREKIN

SCHEDULE 1

MEMBER AUTHORITIES

Name of Member Authority	Number of Joint Committee Members
The County of Herefordshire District Council	2
Shropshire Council	2
Worcestershire County Council	2
Borough of Telford & Wrekin	2

SCHEDULE 2

DELEGATIONS

1. The following matters are delegated to the Joint Committee by the Member Authorities:-
 - (i) To determine the strategic direction and have oversight of WME on behalf of the Member Authorities and in so doing exercise all powers and responsibilities of the Member Authorities to that end.
 - (ii) To purchase on behalf of the Member Authorities such energy and utility services as the Member Authorities may from time to time require WME to procure.
 - (iii) To purchase such energy and utility services as may from time to time be required by anybody which is listed as approved in the current Annual Business Plan or is specifically approved by the Joint Committee provided always that the extent of such trading shall be contained within any limit or restrictions contained in the Annual Business Plan and the provisions of section 1 of the Localism Act 2011.
 - (iv) To appoint a Director with delegated responsibility for the day to day running of the business, the implementation of any strategy agreed by the Joint Committee and responsibility to report to the Joint Committee such officer to be employed and line managed by the Lead Authority which shall on the recommendation of and in consultation with the Director employ such staff, equipment and premises as may be required in connection therewith and in respect of which budget provision has been made in accordance with the Annual Business Plan.
 - (v) To introduce by consultation or negotiation as appropriate revised terms and conditions for WME employees but making it clear at all times that they remain employees of Shropshire Council as the lead authority as a matter of employment law.

TELFORD & WREKIN COUNCIL**CABINET – 13 OCTOBER 2016
COUNCIL – 4 NOVEMBER 2016****ENTERPRISE TELFORD – DRIVING GROWTH AND PROSPERITY****REPORT OF ASSISTANT DIRECTOR: BUSINESS, DEVELOPMENT & EMPLOYMENT****REPORT OF LEADER, CLLR SHAUN DAVIES & LEAD CABINET MEMBER, CLLR LEE CARTER****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 In May 2016, the Council launched its strategy for economic development; **‘Enterprise Telford: Driving Growth and Prosperity’**. A collaboration with the Telford Business Board the strategy is **central to the Authorities drive to increase income to invest into frontline services and to create jobs and build economic independence and aspiration amongst our young people – strengthening families and communities.**
- 1.2 Enterprise Telford builds on the Council’s business winning and business supporting approach which **over the last 3 years has seen more than £150m of business investment in the borough and the creation or safeguarding of more than 2,000 jobs.** These include:
- the £83m investment by the Ministry of Defence into the logistics hub at Donnington,
 - inward investment from major manufacturing businesses including
 - WZ (Moneta) Packaging,
 - The Recycling Group,
 - AXYZ and
 - Filtermist who invested in Telford’s flagship investment site, T54.
 - And significant expansions by existing Telford businesses including:
 - BAE Systems,
 - Stadco,
 - Craemer and
 - Heinz.
- 1.3 To underpin the Enterprise Telford offer to business the Council has established a **£20m Growth Fund** which is being used to invest directly into land and property enabling local businesses to expand and drawing in new investors. The investment fund is delivering new jobs and with **£14.7m already committed to borough wide schemes is set to deliver a gross income of £1.2m pa and a net income after**

borrowing of £400k pa - plus further income from growth in business rates. The investment is **having an impact across the Borough and will enable the delivery of a further 1000 jobs.**

- 1.4 The Fund has enabled the multi million pound investment by Magna International at T54 delivering in excess of 300 jobs and safeguarded more than 160 jobs in Newport following the Council's acquisition of the Audley Avenue Industrial Park.
- 1.5 Illustrating the impact of the Fund on local businesses and employees - on hearing confirmation of the Council's acquisition – owners of Jupiter Marketing Ltd – a longstanding tenant of Audley Avenue Industrial Park, said ‘

“We have a thriving business in Newport at the Audley Avenue Industrial Estate employing more than 160 staff, since establishing our business in 2001.

We had been concerned for some time about our future given the previous owner's intentions to sell the site – we were obviously aware of the possibility that it could be redeveloped for housing.

We have developed a local skills base and we have a strong association with the local area so we are delighted with the news that Telford & Wrekin Council has invested in the estate with the intention of retaining it.

We look forward to working with them in the future.”.

Mark & Yvonne Tweddle, Joint Managing Directors, Jupiter Marketing Ltd

- 1.6 Such is the success of the Enterprise Telford pledge to business, to maximise on our pipeline of investors it is proposed to **increase the size of the Growth Fund by a further £30m, creating a Fund of £50m. The potential gross return from the £50m Fund is £3m pa - £1m pa net of borrowing – plus further growth in business rates** which will help the Council to address the impact on frontline services from the ongoing reduction in Government grant.
- 1.5 The Telford Growth Hub is the focus for engaging with investors and delivering wide ranging business support with hot desk facilities for start ups. In less than 12 months the Hub has engaged with over **1500 people and 250 businesses** have visited and used the facilities.
- 1.6 The Foreword to the Enterprise Telford Strategy for Growth states:-

*‘We are calling our approach to growth ‘Enterprise Telford’ which reflects our view that **all** communities across our Borough can contribute to and benefit from economic growth”*

Paul Hinkins, Chair, Telford Business Board and Shaun Davies, Leader, Telford & Wrekin Council

2. RECOMMENDATIONS

That Members: -

- a) Note the success of the Councils business winning and business supporting approach and the opportunities being generated through the Enterprise Telford campaign
- b) Approve an increase of £30m in the Growth Fund to facilitate the expansion of the PIP as set out in this report and delegates authority to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Lead for Council Finance, Partnerships and Commercial Services to consider and approve each business case for investment.
- c) That Cabinet recommends to Full Council that the PIP be granted approval to undertake prudential borrowing to undertake the acquisition and disposal of PIP assets and/or investments in strategic infrastructure following approval of the business cases as outlined in this report
- d) That Cabinet recommends to Council the approval of necessary changes to the capital programme and revenue budget to facilitate the ongoing rationalisation of the PIP and strategic investments as outlined in this report
- e) Approves the continuation and extension of the Telford 'Deal for Business' and delegates to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Lead for Council Finance, Partnerships & Service Delivery, to enter into agreements with businesses in line with the terms set out in the Cabinet Report of 27th March 2014.
- f) That Cabinet delegate authority to the Assistant Director: Governance, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	YES	Protect and create jobs as part of a business winning and business supporting Council.
	Will the proposals impact on specific groups of people?	
	YES	The proposals will support existing businesses and potential investors to invest and expand in Telford, creating growth and jobs across the Borough.
TARGET COMPLETION /DELIVERY DATE	The Enterprise Telford campaign is on-going.	
FINANCIAL/ VALUE FOR MONEY IMPACT	YES	Full Council approved the establishment of a £20m Growth Fund and the associated prudential borrowing in November 2015 for the rationalisation and development of the Property Investment Portfolio to secure additional income for the Authority. The Property Investment Portfolio (PIP) generates revenue income of in excess of £5m for the Council which supports a range of Council services. Currently investments totalling £14.7m have

		<p>been approved against the fund, leaving only £5.3m for future opportunities. The investments approved deliver on-going income from rental streams and retained business rates which supports the Council's budget and contributes to the delivery of savings.</p> <p>In order to secure the ongoing strength of the PIP and to allow it to grow and diversify, this report seeks approval for the PIP to undertake further prudential borrowing up to a maximum of £30m (creating a total Growth Fund of £50m) and for the necessary changes to be made to the capital and revenue budget strategy to reflect this increase in borrowing. The individual investments will be subject to approval by the Assistant Director: Business, Development and Employment in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Lead for Council Finance, Partnerships and Commercial Services. Each additional £1m of prudential borrowing costs in the region of £40k on-going (based on an assumed life of 60 years) and business cases will be considered in this context. Savings delivered as a result of the additional investment will contribute towards the overall budget gap.</p> <p>For every business, financial incentives in year should not exceed £55k, which is the point at which State Aid issues become relevant.</p> <p>PH/DR-15/9/2016</p>
LEGAL ISSUES	Yes	<p>The Council will construe its behaviour against Constitutional standards of decision- making, of financial probity and stringent financial planning and financial risk management as well as equality impact assessments and procurement requirements. The Council will be mindful of State Aid Rules in relation to the grant aid to commercial entities which may impact its pledges, support package coordination and delivery to third parties.</p> <p>MG Legal Services</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	NO	
IMPACT ON SPECIFIC WARDS	NO	<p>The benefits of the projects will be Borough wide with the Enterprise Telford approach and Pledge encouraging business growth and investment across the Borough.</p>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

BACKGROUND

Driving Growth – 2014/15

4.1 The Council launched its first business and investment strategy – Invest in Telford - in 2012. The ‘business winning, business supporting’ commitment underpinning this has had a massive impact on investment and growth in the Borough. This includes

- the £83m investment by the Ministry of Defence into the new logistics hub at Donnington.
- In addition major manufacturing business investments have been secured from WZ (Moneta) Packaging, The Recycling Group, Winlock, MJ Systems, Northwood Paper and from XYZ and Filtermist who invested in Telford’s flagship investment site, T54.
- Existing business expansions included BAE Systems, Craemer, Stadco, i2R and Heinz.

The recently released UKTI report on foreign investment successes (which relates only to those investments UKTI were directly involved in) for 2015 revealed more than £60m invested by new and existing foreign investors into Telford.

4.2 In October 2015, the Telford Growth Hub was launched at the Telford Innovation Campus, Priorslee, bringing together Telford’s Investment and Business Engagement Teams, the University’s Business Solutions service and Telford Business Board’s Sector Champions in a one stop shop that will meet all business needs and will act as a showcase to attract inward investment.

James Beirne of Midland Alloy and Telford Business Board sector champion: " To have business support services under one roof is a great asset for the Telford business community. It also shows to future investors that we are pro growth and a great place to do business."

Rekha Rani Chhiber, managing director for Asteria Global Ltd: "It was on the off chance I rang Telford & Wrekin Council business support and I'm so glad I did. Through this service I decided to stay in the borough rather than relocate to Birmingham. A great choice and I'll be using the growth hub for my latest ideas to grow my business...."

Building on Success – Enterprise Telford 2016

- 4.3 In May 2016 the Council and the Telford Business Board, launched Enterprise Telford. **At the heart of Enterprise Telford is a Pledge to business. The Pledge designates the whole borough as an enterprise area and offers to any business, whether expanding or looking to land in the Borough, a bespoke package of support.** This is proving to be a more attractive investment offer than other destinations, including those designated as Enterprise Zones.
- 4.4 Using the Pledge the Council are providing investors with a **fast, responsive and deal focussed approach with a landing offer around finance, land, design and build, property and recruitment and skills.** The offer to business is underpinned by a number of key elements:
- **£20m Growth Fund;**
 - **Telford Land Deal**
 - **Growth Hub for ongoing business support and; grants for growth.**

£50m Growth Fund

- 4.5 **In November 2015 the Council launched a £20m Growth Fund** to capitalise on investment demand enabling the Council to acquire land and property, build bespoke premises and strengthen and diversify the Council's Property Investment Portfolio while delivering jobs and opportunity in local communities.
- 4.6 The PIP already makes an important contribution to the Council's revenue budget, generating a consistent income stream in excess of £5m per annum to support the delivery of Council services. The Growth Fund enables the Council's Estates and Investment team to react quickly to investment opportunities that come to the market and supports the growth of the property portfolio bringing additional essential income into the Council to support service delivery and delivering new jobs for local people. This unique Council approach and willingness to invest (where there is a clear return), in acquiring land or property to be then leased to investors, is then enhanced by our ability to deliver design, build, and ongoing building management and business support.
- 4.7 **In less than 12 months £14.7m has been allocated into a range of investments which are anticipated to help deliver 1000 new jobs and safeguard a further 200 jobs.** Through the investment of the full £20m the Council is set to generate c£1.2m in additional gross income - **£400k nett of borrowing costs.** **The investment is also delivering growth in business rates income.** The Growth Fund has contributed to the delivery of **Magna International's multi million pound investment into T54**, which has put Telford on the investment map for major automotive investors and is set to act as a major stimulus to the local supply chain.

Magna announces new aluminium casting facility in the UK

Magna International Inc. today announced it will build a new world-class aluminium casting facility in Telford, United Kingdom, to support Jaguar Land Rover, the UK's leading vehicle manufacturer.



The new facility is expected to be approximately 225,000 square feet and will create up to 295 jobs at full capacity.

Working with the UK Trade & Investment and the Automotive

Investment Organisation, along with financial support from the UK Government's Regional Growth Fund, helped to secure this project. Construction is expected to start in the autumn of 2016.

- 4.7 Through the Growth Fund the Council has also acquired the Audley Avenue Industrial Park in Newport – which will safeguard the future of 13 businesses and more than 160 jobs.



Other investments set to deliver a significant return include Travelodge in the Town Centre.



4.8 £14.7m of the original Fund is now committed with two further investments (picture below) due to be announced in the next few weeks (creating several hundred additional jobs). The Fund has attracted significant investor interest with 7 enquiries currently in progress which offer an investment potential. **This report is therefore seeking an increase of £30m in the Growth Fund to create a £50m Growth Fund. This will directly increase the competitiveness of the Borough's investment offer and is projected to increase the gross return to the Council from the Growth Fund to £3m pa net of business rates - £1m nett of borrowing costs.**



New units being built bespoke for new investors, Hortonwood West

4.9 The income from the Fund is subject to 5 yearly rent reviews and business rate receipts will rise if recent changes in business rates retention come forward. The projected returns do not take account of rental growth or void periods during the investment period, however investments will only be made where an appropriate return supports the investment. In reality the return on investment on several investments made to date has been higher than modelled. The figures below demonstrate the significant potential increase in income generated by increasing the value of the fund from £20m to £50m (net of business rates):

	Rent	Ongoing Cost of Debt finance	Net Income (ongoing)
£20m Fund	£1,200,000	£800,000	£400,000
£50m Fund	£3,000,000	£2,000,000	£1,000,000

Telford Land Deal

4.10 In March 2016 the Council signed a unique Land Deal with HCA and DCLG, which, over the next 10 years, will **see Government recycle £44.5m from land sales in Telford into site preparation and infrastructure to support growth**. This unique Deal which sees the Council leading the marketing and disposal of all HCA land underpins Enterprise Telford and will support the **delivery of 2,800 new homes, 8,500 new jobs and 300,000 sq ft of new employment area**. It is also set to **generate a potential £6m per annum in Council Tax and Business Rates by the end of the programme**. Six months on, the Deal has already been instrumental to the investment by Magna International at T54 as well as investments in Hortonwood and Hadley Park.



Hortonwood West – being delivered through the Telford Land Deal with first 2 units being developed bespoke for new businesses through the Growth Fund



T54 – Flagship employment site – being delivered through the Telford Land Deal - Plot 6 now under development by Magna International

Telford Growth Hub

4.11 Since its launch in late 2015, Telford's Growth Hub has gone from strength to strength and is already demonstrating its value in both supporting business growth and inward investment and in developing University and business collaborations. It is offering a varied events programme ranging from digital workshops and growth seminars to cyber security and is collaborating closely with the University to deliver specialist sector events. In addition a successful food and drink cluster group has already been established, sponsored by Lloyds Bank and with contributions by Harper Adams and innovative Telford company Sirane. **To date over 1500 people and 250 business have visited and used the facilities at the Hub**, which has also been successfully hosting potential new investors, including digital start ups.

Business Grants

4.12 **Through the Telford Growth Hub, small and medium sized enterprises (SME's) will now have access to a range of grants including a new EU funded £33m programme offering businesses grants from £10,000 to £200,000.** Telford businesses and new investors will also benefit from the Marches Building Investment Grant, which will help businesses to upgrade premises to ensure access to suitable commercial premises in which to expand. The Grant will provide capital grants to SME's of £4,500 up to £100,000 to refurbish, reconfigure and extend commercial premises across the whole Borough.

Local, Regional and National Opportunities

- 4.13 Telford's investment offer is being enhanced by developments at the Telford Innovation Campus and at Harper Adams. At the Telford Innovation Campus, Wolverhampton University continues to invest in its engineering and manufacturing faculty, with a particular focus on the automotive sector. This investment adds to Telford's offer to investors and will help us to continue to capitalise on the automotive supply chain opportunities generated by the proximity of the JLR engine plant. automotive supply chain.
- 4.14 **Enterprise Telford is working with Wolverhampton University to create a digital centre of excellence in Telford** enabling businesses in the ICT and digital sector and those looking to maximise on potential of digital to improve their performance, to compete for investment at a national level.
- 4.15 Enterprise Telford is Borough wide – not limited to a specific area or zone. **In Newport the Council has committed £1m earned through the Telford Land Deal, to deliver a new Science & Technology Park creating incubation and start up space for high tech companies. The Council has also submitted a bid for £7.5m of Government funding to accelerate deliver of the site which will benefit from the expansion of Harper Adams University, with its new Agri-Engineering Centre for Innovation.** This is creating opportunities to bring high value jobs to Newport in fields including robotics, sensors, augmented reality systems, enviro-technologies and ICT. The Harper Adams Centre for Innovation is supported by a consortium of leading UK and International companies including GKN, JCB, Jaguar Landrover, Michelin, Lockheed Martin, BASF and Dairy Crest, helping to raise Telford's profile.
- 4.16 **Telford is ideally placed to be an important player in new and emerging regional partnerships.** As a non-constituent member of the West Midlands Combined Authority we have the **potential to grow our connections to the conurbation and strengthen supply chain links, particularly with the automotive sector.** We are well placed to maximise opportunities through the Midlands Engine, which has £5m of central government funding to attract investment to the region. **Telford has been featured in the Midlands Engine 'pitchbook' to investors, where we are promoting T54 as an investment opportunity to overseas investors** and we will be ensuring that Telford is represented in the series of 20 overseas trade missions planned for the next 3-4 years.

Summary

- 4.17 **Through Enterprise Telford the Council is generating income from property investment and additional business rates and Council Tax as job creation supports demand and growth in the housing sector.** Enterprise Telford is central to the Authorities strategy to tackle the ongoing reduction in Government grant and seek to sustain frontline services.
- 4.18 **Enterprise Telford also supports the Council's Strengthening Families strategy creating jobs and building economic independence and aspiration amongst our young people.** Through the Council's Skills to Employment programme

delivered through the Growth Hub links are being built between schools, colleges and businesses to ensure young people are equipped for the employment opportunities in the Borough and that we retain graduates and entrepreneurs locally.

- 4.19 Our Enterprise Telford strategy will grow the number of successful businesses in our Borough, build on Telford's sector strengths and opportunities, **stimulate and support innovation by our businesses and improve our skills talent pool, aligning a skilled workforce with business need.**

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

None

5 PREVIOUS MINUTES

Cabinet 27th March 2014 – The Telford Deal for Business

Council 26th November 2015 – Property Investment Portfolio – Investing in Telford's Growth

Report prepared by Kathy Mulholland, Inward Investment and Business Support Service Delivery Manager and James Dunn, Estates & Investments Service Delivery Manager: 01952 567572/

TELFORD & WREKIN COUNCIL**CABINET – 13 OCTOBER 2016****SHROPSHIRE HILLS AREA OF OUTSTANDING NATURAL BEAUTY (AONB) –
PROPOSAL FOR THE CREATION OF AN INDEPENDENT CONSERVATION BOARD****REPORT OF ASSISTANT DIRECTOR: BUSINESS, DEVELOPMENT & EMPLOYMENT****LEAD CABINET MEMBER – CLLR RICHARD OVERTON****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 The Shropshire Hills Area of Outstanding Natural Beauty (AONB) is a national designation under the National Parks and Access to the Countryside Act (1949, as amended) which puts a number of statutory duties on local authorities within the designated AONB area.
- 1.2 The Shropshire Hills AONB is largely within Shropshire Council's (SC) administrative area with a small area (0.6%) of the AONB sitting within Telford & Wrekin including the Wrekin Site of Special Scientific Interest (SSSI) and surrounding land. The AONB is an important element of the Borough's greenspace including the iconic Wrekin, central to the Borough's reputation as a 'green' town and a major attraction for residents and visitors alike.
- 1.3 The Report seeks Cabinet approval to formally support a proposal by the Shropshire Hills AONB Partnership, of which TWC is a member, to move to a new structure based on the establishment of an independent Conservation Board. A parallel Report to Shropshire Council's Cabinet will seek their endorsement of the same proposal.
- 1.4 This independent structure would allow the Shropshire Hills AONB Partnership to attract additional grant funding and to explore further opportunities to become financially sustainable in the long term. As an independent body it would also give the Partnership greater identity and potential to lobby for investment. A detailed business case has been prepared by the Partnership and is set out in Appendix 1.
- 1.5 Assuming the proposal is supported by both Councils and recommendation is made to DEFRA to move to an independent structure - the AONB Partnership will run a wide ranging public engagement across the whole of the designated area to seek input from communities and businesses which are not currently engaged in the existing AONB Partnership. It is anticipated that this engagement, along with input from the two local authorities, the existing partnership and in light of formal advice from DEFRA, will shape the vision and scope of the Conservation Board.

2. RECOMMENDATIONS

It is recommended that Cabinet:

2.1 Support the proposal to create a Conservation Board as a new structure for the management of the Shropshire Hills Area of Outstanding Natural Beauty; and

2.2 Agree that Telford & Wrekin Council will write jointly with Shropshire Council to Defra, requesting that Defra draft the Parliamentary Order required under the Countryside & Rights of Way Act (2000) for the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty; and

2.3 Delegate authority to the Assistant Director: Business, Development & Employment (and any officer authorised in writing by that Assistant Director) to exercise all of the Council's powers regarding the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Ensuring the ongoing sustainability of the Shropshire Hills AONB contributes to several priorities, including: -ensure that neighbourhoods are safe, clean and well maintained -improve the health and wellbeing of our communities and address health inequalities Throughout the AONB there is active community involvement
	Will the proposals impact on specific groups of people?	
	Yes	The Shropshire Hills AONB is a beneficial resource to people who live and visit the area, is a considerable tourist destination and contains the Wrekin which is easily accessible to the people of Wellington and Telford.
TARGET COMPLETION/DELIVERY DATE	Target date for establishment of the Conservation Board is 2018. This target has been set by Shropshire Council in relation to their scheduled reduction in contributions to the AONB partnership. Shropshire Council and Telford & Wrekin Council to have written jointly to Defra asking for the Statutory Instrument by December 2016.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	The service area holds a budget of £2,634, paid annually to Shropshire Council. This is representative of Telford & Wrekin Council's AONB area equating to 0.6%. It should be noted that there is an anticipated temporary cash flow shortfall in the Partnership

		<p>Business Case of £17k in 2018/19 (identified appendix 1, section 9). Shropshire Council holds AONB Partnership reserves and it is anticipated Shropshire Council will transfer these reserves to the Conservation Board. It is anticipated these will be used to; bank roll the anticipated temporary cash flow deficit; cover potential redundancy liabilities and used as a source of match funding. AEM 15/09/16.</p>
LEGAL ISSUES	Yes	<p>The Countryside and Rights of Way Act 2000 provides for the creation by the Secretary of State of Conservation Boards for the management of AONBs. The Secretary of State can, by statutory instrument, make an order for the establishment of a Conservation Board.</p> <p>If made, the Order will make provision for the constitution, membership and administration of the Board. It will also clarify the functions which may be exercised by the Board concurrently with the local authorities. The Board would be responsible for the production of the AONB Management Plan. In the exercise of its functions, the Board must have regard to the conservation and enhancement of the natural beauty of the AONB and increasing the understanding and enjoyment by the public of the AONB.</p> <p>The arrangements under the Establishment Order cannot be changed without a formal amendment to the Order. (IR:09/09/16)</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>The creation of an independent AONB Conservation Board requires joint working from the two relevant local authorities: Telford & Wrekin and Shropshire Councils. The Council's must write formally to Defra supporting the proposed creation of a Conservation Board and requesting that Defra draft the Parliamentary Order under the Countryside & Rights of Way Act (2000) which allows creation of a Conservation Board. The Order then must pass through the parliamentary process before the Conservation Board becomes a Statutory Body in its own right. There are uncertainties in terms of timescales relating to the parliamentary aspects of the process.</p> <p>The AONB designation enhances the natural environment of the Borough and contributes to the overall attractiveness of the Borough and will support the local business and visitor economy and support community health and wellbeing.</p>
IMPACT ON SPECIFIC WARDS	Yes	<p>The impact of a landscape scale designation like an AONB is considerably wider than the physical land</p>

		<p>which it covers in terms of visual and landscape impacts and benefits to local businesses, visitor economy and health and wellbeing.</p> <p>The part of the AONB within Telford & Wrekin is within Wrockwardine Ward and Cllr Jacqui Seymour has established links within the AONB Partnership. Cllr Chris Turley (ward member for The Nedge) represents TWC on the AONB Partnership and is representing TWC on the Transition Board.</p>
--	--	--

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Current AONB Partnership Structure

- 4.1 The Shropshire Hills Area of Outstanding Natural Beauty (AONB) is a national designation under the National Parks and Access to the Countryside Act (1949, as amended) which places a number of statutory duties on local authorities within the designated AONB area. The AONB designation has a defined purpose to ‘conserve and enhance natural beauty.’
- 4.2 The Shropshire Hills AONB is largely within Shropshire Council’s (SC) administrative area with a small area (0.6%) of the AONB sitting within Telford & Wrekin Council’s (TWC) administrative area and covering the Wrekin Site of Special Scientific Interest (SSSI) and surrounding land. The proportion of the AONB in Telford & Wrekin may be small but it includes one of Telford’s iconic features (The Wrekin) and forms the Wrekin Strategic Landscape within the new Telford & Wrekin Local Plan (Submission version).
- 4.3 Telford & Wrekin Council has a statutory duty to undertake the production and review of a Management Plan for the AONB alongside Shropshire Council. The Management Plan is produced by the AONB Partnership and is then formally endorsed by both Councils. The current Management Plan runs from 2014 – 2019 and is available at: <http://www.shropshirehillsaonb.co.uk/a-special-place/management-plan/>
- 4.4 TWC is represented on the Partnership by Cllr Chris Turley supported by Officers. TWC makes a financial contribution to the management of the AONB which currently stands at £2,694 annually.

Current AONB Partnership Activity in the borough

- 4.5 The AONB Partnership engages in AONB Management Planning, advocacy, funding of on the ground activities through the Conservation Fund, tourism and promotion work across the whole AONB area. Those activities benefit the borough, support the visitor economy, health and wellbeing of residents, supports engagement with landowners and delivers investment in to the Borough’s economy.

- 4.6 The AONB Manage also chairs the Wrekin Forest Partnership which works directly with landowners and conservation bodies around the Wrekin and has been instrumental in the production of the Wrekin Forest Plan. The Wrekin Forest Plan has assisted Shropshire Wildlife Trust in applying for Heritage Lottery Funding (HLF) for a Wrekin Forest Landscape Partnership Scheme directly focussed on the Wrekin and surrounding land, its ecology and heritage and on engaging difficult to reach communities within the borough. If successful, this HLF scheme would deliver significant funding into the borough.

The proposal

- 4.7 The Shropshire Hills AONB Partnership is seeking to move to a new structure which would be independent of the two local authorities and which would not require a Host Organisation - a role which Shropshire Council currently fulfills.
- 4.8 In June 2016 the AONB Partnership approved a motion to work towards establishing an independent AONB Conservation Board structure as the preferred independent structure and has produced a detailed business case.
- 4.9 Should the local authorities approve the proposal, via their respective Cabinets, then the two authorities would then jointly write to Defra on behalf of the AONB Partnership to ask that Defra draft the Statutory Instrument which is required in order to establish an AONB Conservation Board.

Background to the current proposal

- 4.10 The proposal for the new independent management structure has been triggered by Shropshire Council bringing forward proposals to reduce their investment into the AONB. This was set to impact on the delivery of their host obligations and would have affected the spending of the Defra funding (£186,416 for 2016/17) which is secured to deliver the AONB Management Plan but is drawn down by the Host Organisation.
- 4.11 The AONB Partnership has negotiated with Shropshire Council over the proposed changes and the two organisations have broadly agreed that the AONB Manager post would be amended to reduce the risk to the post and in the light of Shropshire's need to reduce spend the AONB Partnership will take on more back office and support services and work with the Council over the medium term to review further, partner contributions. Shropshire Council has agreed to continue on as host organisation for a period of two years while the Partnership seeks to establish an independent management structure.
- 4.12 Shropshire Council has proposed a reduction in funding to £25,000 in 2018/19 and discussions are ongoing as to its long term contributions to the AONB partnership. Shropshire Council has recognised the need to continue to contribute financially to the management of the AONB in order to support the long term sustainability of an independent AONB structure.

- 4.13 Telford & Wrekin Council are not seeking to reduce their existing financial contribution or support for the AONB. Officers and Elected Members have met with Shropshire Council regarding the proposals and regularly attend the AONB Partnership meetings. In the light of the benefits to the AONB from the independent status, particularly in accessing sustainable funding, broad support has been given to date, to explore all the options for alternative management structures.

Establishing a Conservation Board

- 4.14 A Conservation Board is established by a Parliamentary Order under the Countryside & Rights of Way Act (2000). If supported through the parliamentary process then the Conservation Board becomes a Statutory Body in its own right which is responsible for protecting the purpose of the AONB and is responsible for the production and delivery of the AONB Management Plan. The Conservation Board can also claim the Defra funding directly rather than relying on a Host Organisation to do so.

Representation

- 4.15 The make up of a Conservation Board is set out in national guidance. The balance of organisations represented on the Conservation Board, and their proportions, is set out in the national guidance to avoid potential for a single interest to become too significantly represented on the board. A Conservation Board is required to be made up of at least 40% local authority representatives, at least 20% Town/Parish Council representatives with the remainder being appointed by the Secretary of State.
- 4.16 It is proposed that the Shropshire Hills Conservation Board would be a simple, streamlined and efficient structure with a relatively small executive Board of 10-14 members. The appointments and administrative processes for this would be simple, while providing strong involvement of the two local authorities and an optimum size for decision making.
- 4.17 The current AONB Partnership contains 41 member organisations and acts as an advisory group. The proposed Conservation Board structure would be simpler for decision making but would remain supported by a wider partnership which has expressed strong interest in continued involvement in AONB activities.

Ongoing Local Authority Involvement

- 4.18 Although the local authorities would no longer have the Statutory Duty to protecting the purpose of the AONB under the Conservation Board model they are left with a 'duty of regard,' under Section 85 of the CROW Act, the Conservation Board requires their support to function since the proportions of representation are set out in the guidance accompanying the Act. Local authority funding would remain a valuable resource in delivering the AONB Management Plan and local authorities are expected, under the national guidance, to contribute financially.

Other Options

4.19 A Conservation Board is not the only independent structure option available. Other potential models include an AONB Trust or a suitable charity structure. At present these options do not appear to provide the sustainability and stability which the Conservation Board structure offers but should this route prove unachievable then the AONB Partnership will give further consideration to the other available options.

Establishing a Transition Board

4.20 At the AONB Partnership meeting on 14th June 2016 the Partnership agreed the creation of a Transition Board to facilitate the work to explore options and, with the Local Authorities endorsement and DEFRA approval, the transition from the current Joint Advisory Committee structure to the eventual Conservation Board.

4.21 The Transition Board also has a responsibility for ensuring that the 'day-to-day' work of the AONB Partnership continues while any transition occurs.

4.22 The AONB Partnership has sought nominations to the Transition Board from within the existing Partnership. A number of current Partnership members including Cllr Chris Turley, Shropshire Councillors, a Parish Council representative and the current chair and vice chair have agreed to sit on the Transition Board.

5 NEXT STEPS

5.1 If both Council's Cabinets approve the proposals then the local authorities will need to write jointly and formally to Defra requesting that the Parliamentary Order be produced and progressed through Government and would then work with Defra to support and progress the formal process for the creation of the Conservation Board. Shropshire Council Cabinet meets to consider the proposal on 19th October 2016.

6 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Benefits

6.1 An independent structure can provide the AONB with a more defined, independent voice which can be used to lobby on planning matters and other issues core to the AONB and in effective grant funding applications. An independent structure can receive the Defra grant funding directly, can claim the funding in advance and receives a slight increase in Defra contributions compared to a hosted structure. An independent AONB management structure removes the AONB from a local authority Host Organisation and removes the structure from the risk associated with ongoing reductions in budgets and funding.

Risks

6.2 There are risks associated with a Conservation Board structure which stem from the need for the organisation to be able to carry out its own banking and to be financially

independent. The Conservation Board does not have the borrowing power associated with a local authority Host Organisation and may have to work harder to ensure that the flow of income and expenditure can be coordinated.

Concurrent Powers

- 6.3 The Conservation Board Establishment Order would be likely to include a list of powers under various acts which would be retained concurrently by both the local authorities and the Conservation Board. In both the Chilterns and the Cotswold Establishment Orders these include powers in relation to commons, bylaws, establishment of country parks, waymarking, protection of ancient monuments etc. It is anticipated that Defra will advise in detail which powers should be held concurrently between the local authorities and the Conservation Board during the drafting of the Establishment Order and on how those concurrent powers would be exercised.

7 PREVIOUS MINUTES

Approval of the AONB Management Plan 2014 – 2019 – CAB 20th February 2014 Minutes and associated report to Cabinet.

**Report prepared by Fran Lancaster, Ecology & Green Infrastructure Specialist,
Telephone: 01952 384221**



Shropshire Hills AONB Partnership proposal for transferring out of Shropshire Council hosting and forming a 'Conservation Board'

BUSINESS CASE

Draft at 14.9.16

Contents

	Page
1. Introduction and background	2
2. Executive Summary	2
3. Legal basis and functions of the AONB organisation	3
4. The changing operating environment.....	4
5. Outcome requirements for the AONB organisation	6
6. Options Appraisal and confirmation of approach.....	7
7. The Vision	6
8. The case for a Conservation Board	8
9. Risk Assessment	9
10. Summary of projected budget position	9
11. Legal considerations.....	12
12. Staff and other contractual implications	13
13. Partners	14
14. Timescale and resources	15

Appendix 1 - Proposed AONB structure

Appendix 2 - Options Appraisal

Appendix 3 - Risk Register

Appendix 4 - Financial Information – Expenditure & income, cash flow forecast

1. Introduction and background

This document sets out a business case for the creating an independent 'Conservation Board' as the future governance and operating structure of the Shropshire Hills Area of Outstanding Natural Beauty (AONB).

Alternative options for governance and operating structures were first considered in detail by the AONB Partnership in 2012, resulting in work towards establishing a linked charity, but agreement to remain under Shropshire Council hosting while this was felt to be the best and most stable option. However, financial pressures led Shropshire Council in spring 2016 to seek a substantial reduction in its net annual cash contribution to the AONB Partnership on the back of proposals to manage the AONB team within a new integrated Landscape, Health and Economy team within the wider Outdoor Partnerships service. Following a formal consultation with potentially affected staff and significant representations from the AONB Partnership and its members, agreement in principle was reached in April 2016 on an alternative proposal:

- to develop new independent delivery arrangements for the AONB team outside the Council within a new external organisational structure,
- to confirm a savings plan to Shropshire Council within the context of a review of the AONB budget both before and after externalisation.

2. Executive Summary

In 2018 the Shropshire Hills AONB designation will be 60 years old. The primary purpose of conserving and enhancing natural beauty is as important now as it was in 1958, and delivers a wide range of environmental, economic and social benefits. The Shropshire Hills is a relatively large AONB, governed by a strong Partnership and supported by an active staff team with a good track record. There is a strong foundation on which to build future development. However, the context of continued structural change in the host local authority and the broader working environment has led partners to agree that the long term interests of the AONB are now best served by creation of an independent AONB body. **A modern, lean application of the 'Conservation Board' model enabled by the Countryside and Rights of Way Act 2000 will provide the strongest organisation possible for the long term future of the AONB.** The **Vision** for a Conservation Board is:

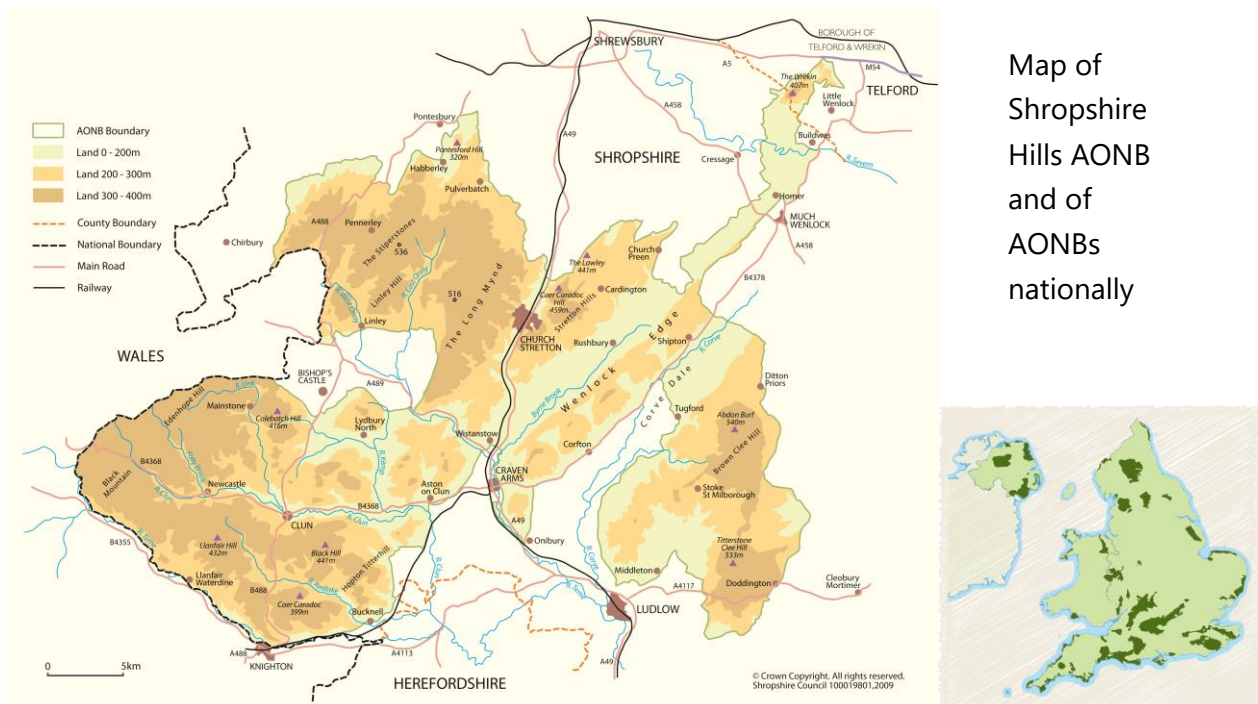
An independent partnership

- **Involving and inspiring people**
- **Working for our special landscapes**
- **Enhancing their natural and cultural assets**

Delivering better outcomes for the AONB.

Since the AONB Partnership is now paying Shropshire Council for 'support services' of hosting previously provided without charge, moving to an independent Conservation Board will actually **reduce overall costs**. The Board structure also has the significant advantages of **unequivocal focus on the needs of the AONB, ability to harness volunteer effort** from Board level to on the ground practical work, and **enhanced ability to fund-raise**, working with a newly established AONB charity.

A diagram of the proposed structure is shown at Appendix 1.



3. Legal basis and functions of the AONB organisation

AONBs legal framework: Area of Outstanding Natural Beauty is a legal designation enabled originally by the National Parks and Access to the Countryside Act 1949 for the principal purpose of conserving and enhancing the natural beauty of the designated area. This Act also gives local authorities, Shropshire Council and Telford Wrekin Council in this case, a permissive power to take action to conserve and enhance the natural beauty in the AONB. AONBs are from the same legislative fold as National Parks and share some similarities, as well as differences in organisation and levels of funding.

The Countryside & Rights of Way Act 2000 places in addition a statutory duty with regard to the AONB Management Plan on local authorities. S89(2) 2 of the Act states that *"the relevant local authority in respect of an area of outstanding natural beauty shall... prepare and publish a plan which formulates their policy for the management of the area of outstanding natural beauty and for the carrying out of their functions in relation to it."* There is also a requirement to 'act jointly' in preparing the Management Plan, and the two local authorities for the Shropshire Hills AONB have formally agreed that the AONB Partnership would lead the preparation of the Plan on their behalf with the involvement of a range of local authority members and officers. On completion, the formal approval of the Management Plan is currently made by the local authorities themselves.

S85 of the Act also places on relevant authorities a general duty to have regard to the purpose of conserving and enhancing the natural beauty of the AONB when exercising or performing any functions affecting land in the AONB. "Relevant authorities" are any public bodies including local and statutory authorities, parish councils and statutory regulators.

There are 46 AONBs in the UK, operating in a strong national network through the National Association for AONBs, a charitable company which lobbies on behalf of AONBs and works to support their effectiveness. AONBs in Wales come under the same legislation but a different management through the Welsh Government, while those in Northern Ireland have a different, and less strong legal basis.

Current governance: The current governance arrangement for the AONB is a 'Joint Advisory Committee' to Shropshire and Telford & Wrekin Councils, known as the Shropshire Hills AONB Partnership, which is supported by the AONB Partnership staff team, hosted by Shropshire Council as the accountable body. Funding for the Partnership team and operation is received from Defra and the two local authorities, along with project funding and earned income from many sources. This is the most common governance structure among English AONBs.

The Shropshire Hills AONB Partnership has defined its main roles as to:

- Take and co-ordinate action to conserve and enhance natural beauty; promote enjoyment and understanding, and further sustainable development.
- Develop policy and strategy for the area through the AONB Management Plan, and influence the policies and strategies of others.
- Develop the AONB Partnership as an inclusive and effective organisation.
- Support the involvement of the community in the management of the AONB.

The Partnership has an independent Chair and representation of many organisations with remits relevant to the AONB, as well as Parish & Town Council representatives, and individual members. This broad engagement is key to successful delivery. The AONB Team seek to concentrate their work in areas which complement or add value to the work of others, and avoid duplication. The AONB Partnership does not own or directly manage any land.

In July 2016 following several years of research and development work by the AONB Partnership, a new Charitable Incorporated Organisation (CIO) for the AONB, the Shropshire Hills AONB Trust, was registered with the Charity Commission. This has a majority of trustees appointed from outside the AONB Partnership and is independent of the Partnership in governance terms. Its charitable objects however relate entirely to AONB purposes, and it is intended to provide a complementary structure to the main AONB governance organisation, as an effective mechanism for fundraising to benefit the AONB. It is expected to give grants directly to projects in the community, and will work collaboratively with the AONB Partnership (or Conservation Board in due course), which it may also benefit or support financially, according to the trustees' discretion and the Trust's charitable objects.

4. The changing operating environment

AONBs are a statutory designation with a long history, and the organisations associated with them have developed as effective delivery mechanisms over about 25 years. The continued importance of AONBs has been underlined by the relative protection of their funding by Defra in recent years, along with exceptional levels of ministerial support. The typical model of local authority hosting has however come increasingly under strain in a number of AONBs as Councils have had to adopt more radical budget savings and restructuring. This is

especially so in Shropshire now, where such a high proportion of a relatively large AONB sits within the area of one unitary authority, making the AONB structure much more vulnerable to decisions taken by one Council.

Shropshire Council has pursued radical change in service delivery in recent years along with significant budget cuts, including outsourcing to a private sector controlled company and commissioning of services to various external bodies and 'spin out' structures. The details of the hosting arrangement of the AONB Partnership have varied over time with several different departments, each of which has had its own priorities. While there are very valuable synergies for the AONB team with other parts of the Council, these are broad across many departments, and a close fit with one particular department is often difficult. While Shropshire Council (and the County Council before it) has provided an effective and valuable hosting role for many years, the scale and speed of its continued organisational changes and funding reductions have become the most significant source of instability for the AONB Partnership. Some changes have been initiated by the Council without proper recourse to the AONB governance structures, resulting in much additional work and wasted energy.

The Shropshire Hills AONB Partnership is acknowledged nationally as a successful AONB organisation, among the top league in terms of gearing up of Defra and the Councils' funding, with turnover now reaching around £1million. The team's work also has a good reputation locally, e.g. in river habitat and catchment work, local conservation projects, tourism, heritage projects, input into planning etc. A high priority on partnership working has achieved a broad engagement of people willing to give their time in both governance and practical delivery, though there is undoubtedly a great deal further to go in terms of raising awareness and involving the local population. Successful earning of income and financial management has enabled the securing of a significant financial reserve for the AONB Partnership, held 'ring-fenced' within Shropshire Council finances. All of these factors help to create a platform and a critical mass for the AONB organisation now to contemplate becoming independent, where previously this may not have been possible.

The wider context for the AONB also includes factors such as:

- continued pressure on central and local government funding
- the likelihood of farming subsidies diminishing and being more focused on greening
- future lack of access to EU funding programmes such as LEADER
- growing appreciation of the health value of recreation
- increasing local tourism opportunities and pressures
- greater national appreciation of the need to better manage ecosystems, soil and water
- more interest among businesses in staff development and supporting local causes
- more need to work with other AONBs and National Parks, etc.

AONBs are recognised internationally by the International Union for the Conservation of Nature (IUCN) as 'Category V' protected areas. Some level of international and European links will remain important even after the UK leaves the EU. Wider political change and economic pressure creates an increasingly uncertain environment in which AONBs must operate. The ability to continue to diversify income streams while remaining true to the

central AONB purposes is important, while not undermining the important principle of core public funding for the many public benefits provided by AONBs and the work of their teams.

The 'need' for services delivered by the AONB team is defined in the statutory AONB Management Plan, which identifies priorities for the area. These are long term issues, and the need to provide continued proactive conservation and management of the AONB landscape is well evidenced. Many other organisations contribute to delivery of the AONB Management Plan, but the team play an important co-ordinating role.

In certain areas of project delivery, e.g. conservation and landscape scale projects, there could be competition from organisations such as conservation charities who have good track records in securing external funding. Some project bids will be up against projects from all over the country, including potentially other AONBs.

5. Outcome requirements for the AONB organisation

The following was agreed by the AONB Partnership Management Board on 11th May 2016 as the key requirements of a new organisation:

- The structure should provide a secure, long term vehicle for delivery of AONB functions, including employment of the staff team.
- The new structure needs to be efficient and cost effective operationally, and have a good ability to fund-raise from a wide variety of sources. Ideally the new structure needs to be capable of borrowing to meet short term cash flow shortfalls.
- The structure must be capable of receiving the AONB funding from Defra (or its successor if Government departments change) and to be directly accountable to Defra for it.
- A relatively simple to understand structure, alongside strong branding, will aid the organisation in public understanding, which is quite a significant issue, and also enhances fundraising ability.
- The structure should be able to attract and involve a high calibre of board members/trustees with relevant skills as well as time and willingness to take on responsibility. These people need to be appointed through robust processes which provide the skills needed but provide checks and balances against possible personal interests or dominance of a small number of individuals.
- The structure must provide links to the two local authorities, but also be seen to be independent from them. The relationship between the organisation and the local authorities' legal duty for the AONB Management Plan needs to be clear, and to not expose the independent organisation to undue risk.
- The structure needs to be able to champion the interests of the AONB, including in planning consultations (both policy and applications).
- The structure needs to support engagement, collaboration, learning, sharing knowledge etc. with the national AONB family.

6. Options Appraisal and Confirmation of Approach

A detailed options appraisal was first carried out in 2012, following earlier exploratory work by the AONB Partnership in 2010. These formed the basis of detailed options papers taken to the AONB Partnership and its Management Board in the spring of 2016 (see

<http://shropshire.gov.uk/committee-services/documents/s11548/3.%20Structure%20alternatives%20with%20appendices.pdf>).

A simplified appraisal in table format of the main options for the future structure of the AONB is provided within **Appendix 2**. The options considered are:

1. Retain hosting arrangement with Shropshire Council but develop linked charity structure to optimise broader sources of income (this is the status quo)
2. Creation of an independent body for the AONB using a 'generic' model in the form of a Trust, charity or company
3. Creation of an AONB Conservation Board
4. Transfer hosting to a different organisation

This work concluded that **Conservation Board** was the preferred model. Subsequently the AONB Partnership Board at its meeting on the 14th June 2016 endorsed Conservation Board as the preferred model for an independent structure, and supported a formal request to Defra by the two Councils and Partnership to initiate the process of creating a Conservation Board for the Shropshire Hills AONB, subject to confirmation of a business case.

Conservation Boards are a structure specifically created for AONBs by sections of the Countryside and Rights of Way Act 2000. There are only two AONB Conservation Boards, in the Cotswolds and the Chilterns, both established in 2004.

An independent charity may be another possible structure, but is unproven for AONB governance in England and likely to be more difficult in relation to arrangements for the statutory duty for the AONB Management Plan, which would remain with the local authorities. The option of an alternative host body is not ruled out altogether, but is not preferred at this stage.

AONB Conservation Boards are established by a Statutory Instrument. They are legally incorporated bodies and employ staff and hold finances and assets directly. They also take on the statutory role of the AONB Management Plan from the local authorities, and can take on other local authority functions 'concurrently' (see section 10 below).

The Vision

The following vision for creation of a Shropshire Hills AONB Conservation Board was developed in a workshop between the Transition Board and the AONB team, and through further discussion by the AONB Partnership on 8th September 2016:

The Shropshire Hills Conservation Board

An independent partnership

- **Involving and inspiring people**
- **Working for our special landscapes**
- **Enhancing their natural and cultural assets**

Delivering better outcomes for the AONB

The 2 September workshop identified the most important areas of work currently undertaken by the AONB Partnership for the Conservation Board to build upon as:

- 'Enabling' role – providing support and coordination, delivering in partnership
- Acting as a 'focus' for the area, and a champion for the Shropshire Hills AONB
- Education, engagement and understanding through the landscape and the work undertaken;
- Work in support of 'why nature matters to people' (i.e. ecosystem services)

7. The case for a Conservation Board

New governance arrangements independent of Shropshire Council in the form of a Conservation Board for the Shropshire Hills AONB would:

- Be a **relevant, progressive and locally determined model**, strongly supported by both Councils, as well as partner organisations and stakeholders within the AONB, and offering much **better long term stability**.
- Provide a **strong, independent structure with an unequivocal focus on the AONB**. A Conservation Board exists solely to support AONB purposes and is not vulnerable to other priorities of a larger organisation.
- **Build on the existing strong engagement** of partner organisations and individuals, and indeed energise this through providing greater responsibility and autonomy, and therefore **more reason for people to get involved** on a voluntary basis.
- **Reduce costs overall**, through the ability to procure support services more cheaply outside the Council.
- Be a **simple, streamlined and efficient structure** with a relatively small executive Board of 10-14 members. The appointments and administrative processes for this would be simple, while providing strong involvement of the two local authorities and an optimum size for decision making.

- Allow **more secure business planning** in terms of fund-raising, project bids, trading and development of strategic work strands, due to undistracted organisational focus solely on the needs of the AONB.
- Considerably **raise the profile of the AONB** and public perception of its importance, also with the benefits of being easier to understand, **enhancing the ability to raise funds** for the AONB and providing a **stronger voice** for its interests in decision making, especially planning.
- Provide a **long term, secure and appropriate governance solution** for an AONB which is the landscape 'jewel in the crown' for Shropshire and the region, and enable the team to continue to perform at a high level in terms of funding, innovation, co-operation and delivery.
- **Work effectively alongside the recently established charity** for the Shropshire Hills AONB charitable structure, which has the main purpose of fundraising for the benefit of the AONB.
- Be better able to **collaborate across the AONB Family**, due to lack of competing demands from a host organisation with its main priorities outside the AONB area and remit.

The Conservation Board model is designed specifically for AONBs, and is a proven model for the application of Defra AONB funding. A Conservation Board brings together the statutory AONB Management Plan duty, the AONB team and the overall governance structure in a single legal entity, in a way that no other available option does. The structure provides for a balance of representation of national importance of the AONB as well as local authorities and other local interests. Though still not a statutory consultee in planning, a Conservation Board ensures avoidance of conflicted positions in relation to a host authority especially regarding involvement in planning consultations. This has at times been a real issue since the vast majority of planning decisions affecting the AONB are made by the unitary Shropshire Council, which is the host authority.

As with any independent structure, support functions such as HR and payroll, IT, etc would have to be bought in. However, since Shropshire Council is now charging in full for these functions, an independent body can **achieve an overall cost saving** by procuring these services more economically on the open market. Conservation Boards do have to pay VAT on relevant expenditure, though this is a small proportion of the overall budget and does not prevent an overall net saving. The overall lead in time for establishment of a Conservation Board is considerable, and is likely to be longer given the additional current work for government following the referendum vote to leave the EU. In relation to the significant long term benefits however, this should not be a deciding factor.

8. Risk Assessment

The relative strengths and weaknesses of the Conservation Board model are summarised within the SWOT analysis below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Statutory status of AONB designation and Conservation Board • Part of a strong national AONB family through the National Association for AONBs • Strong local support for an independent body solely focussed on the needs of the AONB 	<ul style="list-style-type: none"> • Conservation Boards pay VAT on some expenditure • Inability to reclaim 'full cost recovery' from some project funders (as with local authorities)
Opportunities	Threats
<ul style="list-style-type: none"> • Tapping into capacity and skills of Board members • Working alongside the new 'Shropshire Hills AONB Trust' charity (CIO) • Potential for enhanced commercial activity • Ability to survive at a range of scales of operation, depending on levels of funding • Possibility of holding property as an asset, e.g. offices 	<ul style="list-style-type: none"> • Process to create Conservation Board is dependent on Defra agreement and capacity • Need to manage cash flow and reserves effectively

Potential risks associated with pursuing the Conservation Board model, and actions to mitigate these, are described in more detail in **Appendix 3**.

9. Summary of projected budget position

A detailed projection for the core AONB budget for 2016-17 through to 2019-20 is included within **Appendix 4**, and is accompanied by the notes below.

2016-17 total income and expenditure is currently projected as £1,141,887. Cash flow for 2018-19 is predicted to reach a maximum deficit of £17k, in March.

a) Current Income & Expenditure

The Income and Expenditure forecast shows budgets for 2016-17 and 2017-18 operating as hosted within Shropshire Council, and 2018-19 and 2019-20 as an independent body.

The budget summary in Appendix 4 shows the main AONB staff team and core operations totalling c£280k/yr.

Additional project activity includes:

- River Clun Recovery Project (WREN funded – a Landfill Tax distributor) c£78k/yr
- Stiperstones and Corndon Landscape Partnership Scheme (HLF) c£600k/yr

and other minor projects:

- Shuttle buses c£21k/yr
- Sustainable Business Network c£1.5k/yr

Each of these sections is more or less a stand-alone budget, with its own funders and timescale. Some require cash match from the overall AONB budget and some generate income for it, while some have both. These interactions with the core budget are shown in the budget summary under 'Project Match Funding' and 'Income' headings.

There are three main funding contracts in place:

- Annual contract with Defra for AONB funding, currently £186,416 pa. Defra have made a four year grant offer, to 2019-20.
- Five year £2.1m contract 2013-18 with Heritage Lottery Fund (HLF) for the Stiperstones and Corndon Hill Country Landscape Partnership Scheme
- Four year £216k contract with WREN (a Landfill Tax fund) for the River Clun Recovery Project, ending March 2019.

There are no significant long term expenditure contracts.

b) Current Staff Numbers & Costs

The current costs of staff are:

- Main AONB team (6.4 FTE) £205,550
- Stiperstones and Corndon LPS (4.2 FTE) £124,290

c) Councils' funding

The budgets are currently held within Shropshire Council's SAMIS accounting system as 'net nil' budgets with no base budget. Shropshire Council's annual contribution of £40,830 is paid into the cost centre as a transaction every year. A reduced annual contribution of £25,000 has been agreed for 2018-19 and 2019-20 as the expected first two years of operation of an independent body. Telford & Wrekin Council contribute £2,694 annually.

d) 4 Year Income and Expenditure

The projected budget assumes that Conservation Board status will be achieved at April 2018. Any changes to this will result in some reprofiling of the budget.

Projected levels of income and expenditure are similar in 2017-18 to those in 2016-17. In March 2018, the Stiperstones and Corndon LPS will close, and projected total turnover for 2018-19 and 2019-20 is around £300k - £400k pa. This will increase if new projects come on stream as expected.

Forward budgets allow for annual 1% inflation increases on salaries. Known possibilities for reducing staff hours in two cases are included. Budgets are allowing for the new independent body to cover costs of support services procured from April 2018 costed at £17,500 pa, and the payment of VAT by the Conservation Board on relevant items. The cost

of the Conservation Board buying in support services externally is considerably lower than the amount currently paid to Shropshire Council for support services, resulting in **a net saving to the core budget, and therefore enabling a higher proportion of Defra and Council funding to be spent on delivery.**

There are sums of AONB cash match required into certain projects, and various sources of 'unattached' income with which to meet these. This creates the final net addition to, or draw on, reserves which balances the financial year's accounts overall. The strategy as in recent years will be to aim to earn income where possible through e.g. projects, fee earning activity and trading, alongside any savings which can be identified. Opportunities to restructure and make savings will be taken in the event of staff vacancies.

For 2018-19 and 2019-20 allowing for an expected level of income (which is not all currently secured), the annual budgets are projected to reach within around £10k of break even. A modest one-off draw on reserves may be made to fund feasibility work and start-up costs, but if a longer term deficit continues which cannot be met by earned income and other savings, then cuts to staffing may prove necessary. The team's track record in securing additional income is very good.

e) Cash Flow and use of reserves

A cash flow modelling exercise has been carried out based on actual spend within 2015-16, and this has informed a projection for 2018-19. Assuming similar patterns of spend but with the Stiperstones and Corndon Landscape Partnership Scheme finished, the Conservation Fund transferred to the new AONB Trust charity and the Defra contribution paid quarterly up front to a Conservation Board, a maximum temporary cash flow deficit of around £17k is predicted, which would need to be covered by working capital from the AONB reserves.

The full transfer of reserves earned over recent years by the AONB Partnership and currently held by Shropshire Council is required (currently £177,174). This has been an essential part of the AONB Partnership's proposal for independence in all negotiations with the Council. The reserve is needed:

- To bankroll cash flow as above
- To cover potential redundancy and pension strain liabilities, which total £116k for the core staff
- As a source of match funding for new project bids, which will remain a crucial part of the business model.

f) Commercial Opportunities

There are a number of commercial opportunities which have been used to some extent to date, and which the team is in a good position to develop further:

- Fee-earning project delivery – this may be within the AONB (preferably), or potentially outside the AONB (at opportunity cost of activity for the AONB). Many projects are

developed in partnership with other organisations – activity can be fee earning either when bankrolled by the team itself or sometimes when led by other organisations.

- Consultancy – the team have considerable technical skills and some history of paid work, hitherto on a largely reactive basis rather than promoted.
- Trading – Some income is derived from sale of books, branded merchandise, etc and hire of meeting room facilities.
- Fee earning services – there is a possibility of charging for services such as pre-application planning advice, but this has not been done so far due to capacity issues.

10. Legal considerations

The legal framework for AONBs and the related local authority obligations are described in section 3 above.

a) Legal implications of new structure

The main legal implication of the proposed structure change is that a Conservation Board, under detailed provisions in the Countryside and Rights of Way Act 2000, takes on fully the statutory responsibility of the two Councils to prepare and review an AONB Management Plan. This is perceived to be a strength of the model, providing both additional status and influence for the Conservation Board, and relieving the Councils of this responsibility. The two Councils would however still be closely involved in the preparation of the Plan, and may choose formally to endorse it, which would add to its strength.

Within the Conservation Board model, the Councils would still retain the legal duty applicable to all public bodies to 'have regard to the purposes of AONBs in carrying out their functions' (Section 85, Countryside & Rights of Way Act 2000). This is not a duty which necessarily results in expenditure or allocation of resources, but it does for example apply to the consideration of the AONB in planning decisions by the Councils. A Conservation Board is not a statutory consultee with regard to planning matters, but would expect to be consulted on policy and significant applications in the AONB similar to the arrangement currently in place with the AONB Partnership. Good practice would include renewing and updating the Planning Protocol which is in place with the AONB Partnership.

There is provision in the legislation for Conservation Boards to take on additional powers or responsibilities from the local authorities (e.g. countryside management functions). The Establishment Orders for the two existing Conservation Boards included a range of powers from various countryside-related legislation to become 'concurrent functions', i.e. exercisable by the local authorities and by the Board. Detailed advice is being sought regarding these and it may be desirable to include some of them in an Establishment Order, since this needs to cover scenarios into the long term.

The Conservation Board is a completely independent body so the Councils would bear no responsibility for any debts should the Board have to be wound up.

b) Statutory processes, including consultation

The creation of a Conservation Board is achieved through a Statutory Instrument laid before both Houses of Parliament. This process is led by Defra, who also provide the main AONB funding. Following agreement of both Councils to the Business Case, the two Councils must write formally to Defra, through the AONB Partnership if they wish, to request the government to initiate the creation of a Conservation Board.

The process for creating a Conservation Board is set out in Defra guidance of 2008 requires formal consultation, and this is mainly carried out at a national level. The scoping work on options carried out so far by the AONB Partnership has included the broad membership of the Partnership and has significant support. Further local consultation and awareness raising on the proposal to create a Conservation Board will be carried out during and after the processes of approval by the two Councils.

c) Equalities considerations

The proposals set out here are not believed to have any implications with respect to the Councils' statutory duties under the Equality Act 2010 and section 149 of the Public Sector Equality Duty. An Equalities and Social Inclusion Impact Assessment has not been prepared but will be should circumstances change.

d) Legal obligations with contracts

The HLF Landscape Partnership Scheme contract is due to end before the Conservation Board would come into existence. In relation to the Defra AONB funding contract, Defra are clearly a crucial player in relation to creation of the Conservation Board, and informal discussions have been opened on this. The possibility of transition and novation of contract has not yet been discussed with WREN, the major funder of the River Clun Recovery Project, but no major difficulties are expected with this.

11. Staff and other contractual implications

a) Staff

The staff team currently comprises 13 people (10.6FTE), with 7 (6.4 FTE) based at Craven Arms, and 6 (4.2 FTE) based at Chirbury in a semi-independent team for the Stiperstones and Corndon Hill Country Landscape Partnership Scheme (HLF funded to March 2018).

The proposed transition would transfer the employees of the AONB team and its services to the new Conservation Board structure. The Stiperstones and Corndon LPS will terminate at or before the new body comes into operation, so there will be no requirement to novate this contract or transfer these staff. (It is conceivable that extensions to contracts on some of the LPS staff may be achievable through new funding or projects).

Staff are fully aware of the proposal to create a Conservation Board and have been involved in discussion of options and developing the proposal. No formal consultations have taken place in relation to HR matters, following the lifting of earlier restructuring proposals for the AONB team.

Pensions: An AONB Conservation Board is a 'Scheduled Body' in relation to the Local Government Pension Scheme (LGPS), meaning that its staff are entitled to join the LGPS. The transfer of staff to the Conservation Board as a new employer within the Shropshire Pension Scheme would be undertaken as 'fully funded', so that the Board bears no burden for past pension deficits.

b) Assets

i) Summary of Assets & IT systems

The main office at Craven Arms and the LPS office at Chirbury are both rented, and equipped with hard-wired network connected to the Shropshire Council IT system via broadband. All staff now have laptops, and a rented printer/copier is in place at each office.

The offices are furnished and equipped, and there are small amounts of display equipment and tools held, along with a considerable quantity of archive files. A detailed inventory will be prepared.

ii) Potential Asset Transfer

The main AONB Partnership office at Craven Arms comprises four units in the Shropshire Council owned property Drovers House, which includes a small number of other rented offices and retail units. The possibility has been discussed with the Council about a possible asset transfer involving Drovers House to an independent AONB organisation, as a means of providing it with some ongoing income as well as an asset and security of tenure. The Council does not wish to do this at present, but has not ruled it out as a possibility in the future.

12. Partners

The main stakeholders are:

- The two Councils – Shropshire and Telford & Wrekin.
- Funders – especially Defra, and to a lesser extent WREN.
- AONB Partnership members – The Partnership is the formal governance structure for the AONB and will remain so until a new structure replaces it.
- Delivery partner organisations – e.g. Natural England, National Trust, Shropshire Wildlife Trust. Most of these organisations would not be represented directly on the Conservation Board, so future relationships will be important. Natural England also have a national advisory role to government in relation to AONBs.
- The National Association for AONBs and the AONB family – the transition of structure is of interest to other AONBs as a potential model or example, and there is much that we can continue to learn from them, including the two existing Conservation Boards and two AONB trusts/charitable companies in Northern Ireland.
- AONB membership schemes – including the Friends of the Shropshire Hills AONB and the Shropshire Hills Sustainable Business Network.
- Local partnerships including at the Wrekin, Clun Catchment, Clee Hill and Stiperstones – Corndon.

- Local businesses that depend on the qualities of the AONB.
- Community organisations – including Parish and Town Councils and voluntary organisations.

Engagement Plan and public consultation:

The existing AONB Partnership structures for both meetings (of various groups) and communications (publications, websites, e-newsletter and social media) will provide effective mechanisms to continue to engage with the relevant stakeholders. For more details of the work of the AONB Partnership visit <http://www.shropshirehillsaonb.co.uk/>.

The AONB Partnership processes are very broad in terms of membership and much information has been made publicly available. Further local public consultation will be carried out. So far it is apparent that there is considerable support for the proposal.

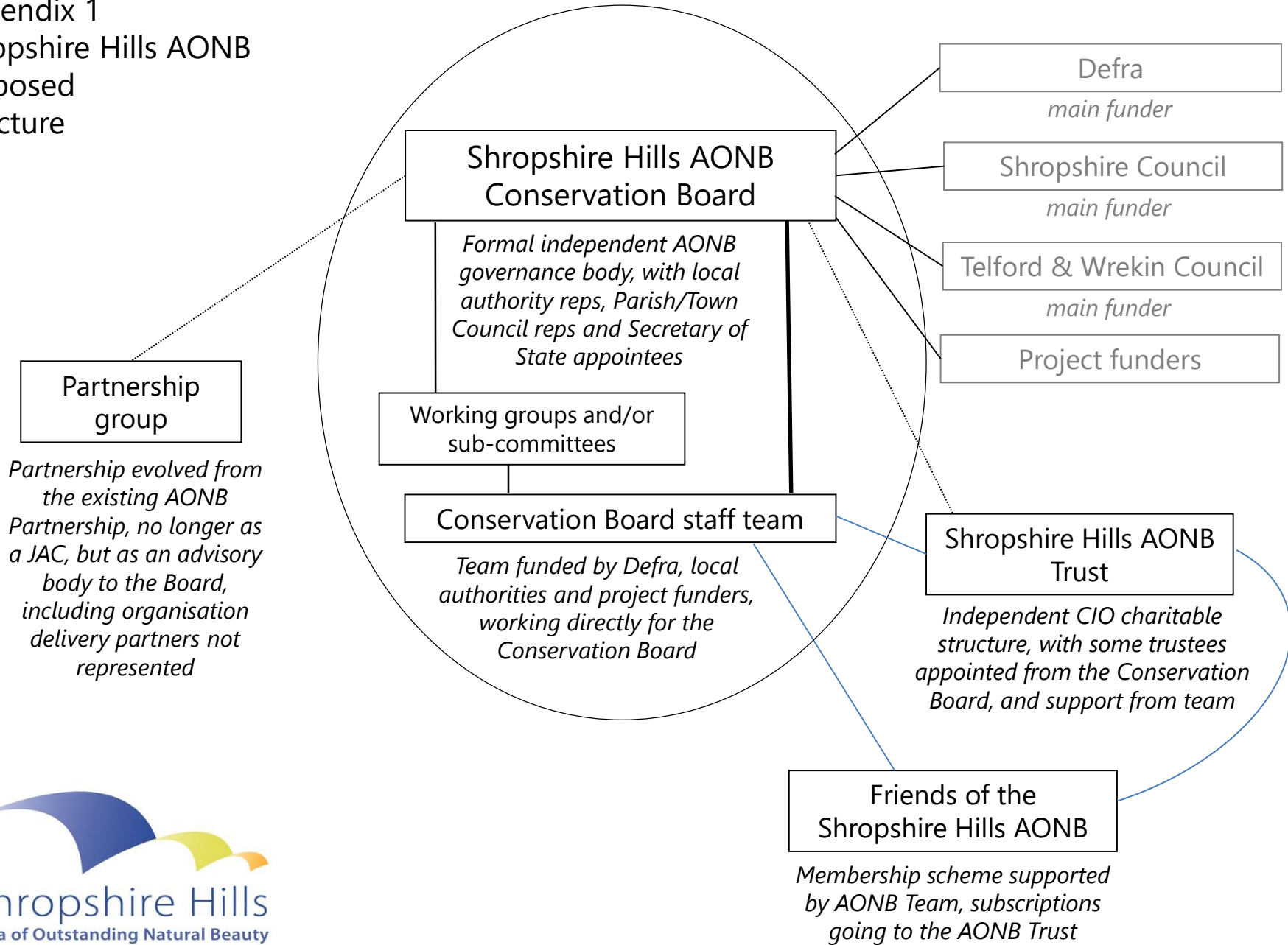
13. Timescales and resources

The expected timescale for the creation of a Conservation Board is 12-24 months from the formal request. Key milestones and indicative timescales are:

9 Aug 2016	First meeting of Transition Board
2 Sept 2016	Visioning workshop with Transition Board and team
8 Sept 2016	AONB Partnership meeting to support draft Business Case
13 Oct 2016	Business Case to Telford & Wrekin Council Cabinet
19 Oct 2016	Business Case to Shropshire Council Cabinet
Nov 2016	Formal request to Defra to initiate creation of Conservation Board
2017	Consultations and decision (by Defra)
2017-18	Drafting of legal orders (Defra)
2017-18	Agreement regarding premises and funding
2018-19	Confirmation of legal orders and appointments to Board (Defra)
2018-19	Establishment of banking and finance arrangements
2018-19	Transfer of staff and formal launch of Conservation Board

A Transition Board has been established including representatives of both Councils, as well as other members elected from the AONB Partnership, and the possibility of additional co-opted members.

Appendix 1
Shropshire Hills AONB
proposed
structure



Appendix 2 Options Appraisal – Shropshire Hills AONB possible structures

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Implications for customers	Pros	Charity provides a more attractive vehicle for donations	Could open avenues for non-public sector funding Freer to advocate for the AONB	Strong body acting solely for the AONB, and more free to advocate Easy to understand	Could open avenues for non- public sector funding
	Cons	Subject to imposed changes from the council which may impact on the ability of the team to focus on the AONB Lack of flexibility Perception may be affected by people’s views of the council May be a disincentive for some people to volunteer or donate money Associated structure and relationships could be confusing	Loss of support from the officers and support services within the council Untested new model to deliver long term	Change from current known structure	Unknown relationship with Council, where statutory duty still lies Potential confusion about responsibilities, and lack of overlap with role/ priorities of another host body
Implications for staff	Pros	Protection of T&Cs for staff	New skills and networks, and support from trustees	Staff transferred on existing conditions New skills and networks, and support from trustees	Potential useful synergies with other staff of host body

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	<p>Possible erosion of T&Cs as a result of further cuts</p> <p>Vulnerability to restructuring</p> <p>Staff time involved in supporting charity as well as Partnership</p>	<p>Likely loss of T&Cs such as poorer pension (future staff)</p> <p>Different competencies required of staff and training needs</p> <p>Potential loss of staff and expertise due to savings required?</p>	<p>Not part of a larger organisation</p> <p>Potential loss of staff and expertise due to savings required?</p>	<p>Uncertainty. Possible loss of T&Cs.</p>
Financial Implications	Pros	<p>Council bankrolling</p> <p>Retain access to LA support such as finance, HR and legal</p>	<p>Could open avenues for non-public sector funding</p> <p>Enhanced ability to fund-raise</p> <p>Support services could be bought in more cheaply outside the Council</p>	<p>Reduced costs overall, as support services can be bought in more cheaply outside the Council</p> <p>Defra funding paid in advance and may be increased?</p> <p>Enhanced ability to fund-raise, working with linked charity</p>	<p>Could open avenues for non- public sector funding</p>
	Cons	<p>Council now charging for support services and funding contributions likely to decrease further</p> <p>Uncertainty resulting from discretion of trustees of independent charity regarding spending</p>	<p>New body may be unable to meet pension commitments</p> <p>Difficulty of maintaining Council funding</p>	<p>Some VAT not reclaimable</p> <p>Difficulty of maintaining Council funding?</p>	<p>Upheavals of transfer</p> <p>Potentially less accountability for public funding</p> <p>Likely loss of Council funding</p>

□ Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
Scope for future business development	Pros	Additional skills from involvement of charity trustees	Focus on needs of the AONB Potential to provide services and tender for commercial business, subject to charitable objects	Unequivocal focus on the needs of the AONB, in proven model Access to skills and expertise through Board members with greater responsibility	Uncertain
	Cons	Council may be less keen to act as accountable body for large project bids in future Sometimes restricted by Council procedures Potential for lack of alignment/competition	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery Untested model among English AONBs	Need to establish track record as a delivery body for projects. Need to develop and sustain organisation may detract from delivery	More exposure to external competition Potential for less focus on the AONB due to organisational pressures
Implications for Council	Pros	Reduced draw on support services for some activities which may be moved out to charitable structure Council retains influence on service delivery Large added value can be demonstrated from Council funding	Need to develop an effective agreement around local authority statutory duties for AONB Management Plan Demonstrable model of out-sourcing	Councils permanently transfer statutory AONB Management Plan duty to Board Reduced workload from hosting Strong provision for Council representation Demonstrable model of out-sourcing Council can still take some credit for work through association	Removal of responsibility

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Council retains contractual responsibilities	The council would lose some influence.	The council would lose some influence	Loss of association and kudos from link with AONB activity Councils retain statutory Management Plan duty, and potential lack of clarity over relationship with new host body
Identified risks		Continued loss of funding from the council Restructure proposals not in AONB interests Effective links and close working relationship need to be established with charity	Need adequate financial reserves/assets for cash flow Need to attract trustees with sufficient capacity	Need adequate financial reserves/assets for cash flow Defra may not have capacity for establishment Lead-in time for establishment	No possible partner identified or likely to be available Potential host may not commit to longer term
Effect of changes to governance	Pros	New opportunities for involvement and responsibility as trustees	More independence and more responsibility required of Board, Trustees etc	More independence, opportunities for people to take responsibility Secure, high status structure, specifically for AONBs from an Act of Parliament, taking on statutory responsibilities Can sit alongside charitable structure	Unknown, depends on organisation

<input type="checkbox"/> Options		1. Retain Council hosting but develop linked charitable structure to optimise broader income sources	2. Create a new independent body for the AONB such as a charity or company	3. AONB Conservation Board	4. Transfer hosting to a different organisation, if available
	Cons	Charitable structure and AONB Partnership/ Council relationships could cause tension	Need for formally defined relationship with Councils Untested model in English & Welsh AONBs Charity law may restrict activity?	Need to establish effective working relationship with Councils, charity and Partnership	Lack of connection to LAs who hold statutory responsibility Unknown, depends on organisation
Business Impact / Other	Pros	Hosting provides links to a range of related services Charity can fund-raise more effectively	Can fund-raise effectively and use directly without intermediary/ associated structure	Freer to comment on planning matters	Disruption during transfer period
	Cons	Risk of AONB benefits not being highest priority due to other pressure on services. Complexity of organisational relationships	Holding directly all risks and responsibilities		Possible different geographic focus of different host body

Appendix 3 Risk Register – Shropshire Hills AONB transition to Conservation Board

	Risk	Probability	Impact	Impact specifics	Contingency actions
1	Non-agreement in principle by local authorities	L	H	Impossible to go ahead	Strong business case. The proposal has been developed with full involvement of Councillors and has support of senior management.
2	Failure to release reserves in full to new body	L	H	Insufficient working capital to cash flow and make project bids	A strong business case has been made on the needs for reserves, and based on the fact that they derive from income earned by the AONB team.
3	Insufficient or declining financial support from LAs	M	M	Lack of funds and visible lack of commitment	Strong business case. Shropshire Council contributions for 2018-19 and 2019-20 have been agreed at levels improved from earlier negotiations. Telford & Wrekin Council have confirmed stability of their contribution. Need to earn more income and/or make savings.
4	Non-agreement by Defra	M	H	Impossible to go ahead	Strong business case. Clarity sought on criteria for decision. NAAONB and political support. Need to consider alternative model?
5	Lack of capacity in Defra to do legal work	M	H	Delay or inability to progress	The Establishment Orders for the two existing Conservation Boards are available as a proven template. The work required should be relatively limited. More time than expected may need to be allowed. Consider alternative model.

6	Lack of capacity within Shropshire Council to support transition	L/M	H	Support needed from various departments	Essential work is being progressed as soon as possible, and good support is currently available. Maintain political support.
7	Lack of trustee/board capacity	L	M	Delay or inability to progress	The Transition Board has been established and is involving new people. Two workshops have been held to get people involved. Development funding is being sought from HLF.
8	Potentially unmanageable burden of pension liabilities	L	H	Especially re scheme shortfalls	Secure transfer within LGPS as 'fully funded' new employer re deficits.
9	Reduction in Defra financial support	M	M	Reduction to extent causing unviability very unlikely	Continue to broaden sources of other income.
10	Failure to secure additional income	L	L	Levels of income may determine scale of operation but unlikely to threaten viability	Staff resource and Board support focused on sound business plan, including pursuit of new projects, fee-earning work and fund-raising.
11	Reduced delivery capacity of AONB team during transition period	M	L	Time taken. Transition process may affect ability to make funding bids for new projects, or make these more complicated.	Careful work programming. Use of available support.

Appendix 4 Supporting Financial Information

AONB Forecast Income and Expenditure	Hosted by Shropshire Council		Independence	
	2016/17	2017/18	2018/19	2019/20
Expenditure				
Staff Costs	£205,550	£204,660	£204,440	£207,130
Salaries	£154,893	£154,274	£156,251	£158,260
N.I.	£14,752	£14,573	£14,846	£15,123
Pensions	£20,911	£20,827	£31,094	£31,494
Pension Lump Sum	£12,740	£12,740		
Travel and Subsistence	£1,500	£1,500	£1,500	£1,500
Training	£750	£750	£750	£750
Premises Costs	£21,540	£16,890	£18,540	£18,690
Rent and Service Charges	£14,390	£9,600	£11,100	£11,100
Rates	£6,100	£6,222	£6,346	£6,473
Electricity	£1,050	£1,071	£1,092	£1,114
Supplies and Services	£20,470	£29,920	£23,290	£22,590
Refuse Collection	£650	£650	£650	£650
Cleaning Materials	£200	£200	£200	£200
Office Equipment / Maintenance / Testing	£2,000	£2,000	£2,000	£2,000
Printing and Stationery	£5,446	£1,000	£1,000	£1,000
Postage, Telecommunications and Broadband	£6,418	£6,418	£7,562	£6,862
Vehicle Lease/Fuel Costs	£4,800	£4,800	£5,760	£5,760
Website Development	£200	£200	£240	£240
Other Promotion	£1,500	£1,500	£1,500	£1,500
Friends of AONB Expenses	£150	£150	£180	£180
Partnership and Sub-Group Expenses	£1,000	£1,000	£1,200	£1,200
Subscriptions	£3,000	£3,000	£3,000	£3,000
Independent Body Set-Up Costs	£6,000	£9,000		
Project Match Funding	£10,220	£10,140	£4,290	£0
Rivers	£4,720	£5,140	£4,290	£0
Shuttles	£0	£0	£0	£0
Sustainable Business Network	£0	£0	£0	£0
Conservation Fund	£0	£0	£0	£0
Stiperstones & Corndon Hill Country Landscape Partnership Scheme	£5,000	£5,000	£0	£0
Upland Commons	£500			
Appropriations to/(from) Reserve	-£6,000	-£9,000	£0	£0
Planned Contribution from Reserve	-£6,000	-£9,000		
Support Services	£31,290	£31,290	£17,500	£17,500
Shropshire Council Services	£31,290	£31,290		
I.T.			£5,000	£5,000
Public Liability Insurance			£1,500	£1,500
H.R.			£3,000	£3,000
Finance			£4,000	£4,000
Payroll			£4,000	£4,000
Total Expenditure	£283,070	£283,900	£268,060	£265,910
Income	-£282,660	-£256,070	-£239,100	-£234,200
DEFRA AONB Single Pot	-£186,416	-£189,623	-£192,884	-£196,202
Shropshire Council Grant	-£40,830	-£40,830	-£25,000	-£25,000
Shropshire Council Additional Contribution to Office Costs	-£20,200	-£11,100	-£11,100	-£5,100
Telford and Wrekin Grant	-£2,942	-£2,694	-£2,694	-£2,694
Sale of Books	-£1,000	-£1,000	-£1,000	-£1,000
LEADER Contribution to Costs (January 2015 Onwards)	-£2,942			
External Fee-Earning Work	-£3,000	-£4,000	-£3,000	-£3,000
Promotions Officer Work for LPS	-£6,406	-£2,000		
Sustainable Business Officer Work for LPS	-£5,636			
Sustainable Business Network Management Fee	-£700	-£700	-£700	-£700
Shuttles Management Fee	-£1,057	-£1,500		
Rivers Management Fee	-£2,226	-£2,226	-£2,226	
Environment Agency Earned Income	-£9,000			
Meeting Room Hire	-£300	-£400	-£500	-£500
(Surplus)/Deficit	£410	£27,830	£28,960	£31,710
Plan A				
Potential Sources of Further Income Generation	-£2,500	-£27,000	-£39,860	-£35,080
Potential Increase in DEFRA Funding following Independence			-£12,859	-£13,080
Upland Commons Project		-£20,000	-£20,000	-£20,000
Jean Jackson Trust			-£5,000	
Admin and Grant Work for Conservation Fund	-£500	-£2,000	-£2,000	-£2,000
Woodland Trust	-£2,000	-£5,000		
Appropriations to/(from) Reserve	£2,090	-£830	£10,900	£3,370
(Surplus)/Deficit	£0	£0	£0	£0
Plan B				
New Earned Income and New Projects	£0	-£20,000	-£30,000	-£30,000
Increased Fee-Earning Work and Income from New Projects		-£20,000	-£30,000	-£30,000
Appropriations to/(from) Reserve	-£410	-£7,830	£1,040	-£1,710
(Surplus)/Deficit	£0	£0	£0	£0
Plan C				
Reduction in Posts		-£35,190	-£35,480	-£35,520
Deletion of One or More Posts		-£35,190	-£35,480	-£35,520
Appropriations to/(from) Reserve	-£410	£7,360	£6,520	£3,810
(Surplus)/Deficit	£0	£0	£0	£0

AONB Cash flow projection for 2018-19		Annual total														
		2018/19	April	May	June	July	August	September	October	November	December	January	February	March	Month 13	Check total
Expenditure																
Staff Costs		£204,440														
Salaries	£156,251	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£13,021	£0	£156,251
N.I.	£14,846	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237	£1,237		£14,846
Pensions	£31,094	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591	£2,591		£31,094
Travel and Subsistence	£1,500	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125		£1,500
Training	£750		£100		£400				£100			£150				£750
Premises Costs		£18,540														
Rent and Service Charges	£11,100			£2,775				£2,775			£2,775			£2,775		£11,100
Rates	£6,346		£6,346													£6,346
Electricity	£1,092	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91	£91		£1,092
Supplies and Services		£23,290														
Refuse Collection	£650	£54	£54	£54	£54	£54	£54	£54	£54	£54	£54	£54	£54	£54		£650
Cleaning Materials	£200	£17	£17	£17	£17	£17	£17	£17	£17	£17	£17	£17	£17	£17		£200
Office Equipment / Maintenance / Testing	£2,000	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167	£167		£2,000
Printing and Stationery	£1,000	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83	£83		£1,000
Postage, Telecommunications and Broadband	£7,562	£630	£630	£630	£630	£630	£630	£630	£630	£630	£630	£630	£630	£630		£7,562
Vehicle Lease/Fuel Costs	£5,760	£480	£480	£480	£480	£480	£480	£480	£480	£480	£480	£480	£480	£480		£5,760
Website Development	£240	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20	£20		£240
Other Promotion	£1,500	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125		£1,500
Friends of AONB Expenses	£180	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15	£15		£180
Partnership and Sub-Group Expenses	£1,200	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100		£1,200
Subscriptions	£3,000	£2,500				£150	£100	£150			£100					£3,000
Project expenditure		£82,160														
Rivers staff	£21,600	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800	£1,800		£21,600
Rivers other	£41,220				£10,305				£10,305			£10,305		£10,305		£41,220
Shuttles expenditure	£18,090	£2,865	£2,865	£2,865	£2,865	£2,865	£2,865						£900			£18,090
Sustainable Business Network expenditure	£1,250		£200	£200			£200	£200	£200				£250			£1,250
Support Services		£17,500														
I.T.	£5,000	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417	£417		£5,000
Public Liability Insurance	£1,500	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125	£125		£1,500
H.R.	£3,000	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250		£3,000
Finance	£4,000	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333		£4,000
Payroll	£4,000	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333	£333		£4,000
Total Expenditure		£345,930	£27,380	£31,526	£27,855	£35,585	£25,030	£27,955	£32,770	£22,215	£24,790	£32,570	£22,265	£35,995	£0	£345,931
Income		-£316,970	-£48,450	-£44,523	-£1,696	-£62,549	-£1,654	-£2,238	-£62,049	-£7,196	-£229	-£66,083	-£229	-£7,945	-£12,133	-£316,975
DEFRA AONB Single Pot	-£192,884	-£48,221			-£48,221				-£48,221			-£48,221				-£192,884
Shropshire Council Grant	-£25,000		-£25,000													-£25,000
Shropshire Council Additional Contribution to Office Costs	-£11,100		-£11,100													-£11,100
Telford and Wrekin Grant	-£2,694		-£2,694													-£2,694
Sale of Books	-£1,000	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83	-£83		-£1,000
External Fee-Earning Work	-£3,000		-£500		-£500		-£500		-£500		-£500		-£500			-£3,000
Sustainable Business Network Management Fee	-£700													-£700		-£700
Shuttles Management Fee																
Rivers Management Fee	-£2,226													-£2,226		-£2,226
Meeting Room Hire	-£500	-£42	-£42	-£42	-£42		-£84	-£42	-£42	-£42	-£42	-£42	-£42	-£42		-£501
Rivers income	-£58,530		-£5,000		-£12,133			-£12,133	-£5,000			-£12,133			-£12,133	-£58,530
Shuttles income	-£18,090			-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£1,467	-£4,290		-£18,090
Sustainable Business Network income	-£1,250	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104	-£104		-£1,250
(Surplus)/Deficit		£28,960	-£21,071	-£12,998	£26,159	-£26,965	£23,375	£25,716	-£29,280	£15,019	£24,560	-£33,513	£22,035	£28,049	-£12,133	£28,956
Cumulative balance			-£21,071	-£34,068	-£7,909	-£34,874	-£11,499	£14,218	-£15,062	-£43	£24,517	-£8,996	£13,039	£41,089	£28,956	
Example modelling of additional earned income/savings required		-£28,960	-£1,247	-£1,247	-£1,247	-£3,247	-£1,247	-£4,247	-£1,247	-£1,247	-£1,247	-£5,247	-£1,247	-£1,247	-£5,000	
Even profiled element (e.g. regular income or savings)	-£14,960	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247	-£1,247		-£14,960
Backloaded' element (e.g. fee earning work)	-£14,000				-£2,000			-£3,000				-£4,000			-£5,000	-£14,000
Projected monthly balance			-£22,317	-£14,244	£24,912	-£30,211	£22,129	£21,470	-£30,526	£13,772	£23,314	-£38,760	£20,789	£26,803	-£17,133	
Cumulative balance			-£22,317	-£36,562	-£11,649	-£41,861	-£19,732	£1,738	-£28,789	-£15,017	£8,297	-£30,463	-£9,674	£17,129	-£4	

balance to zero except for rounding error

TELFORD & WREKIN COUNCIL

CABINET – 13 OCTOBER 2016

HIGHWAY ASSET MANAGEMENT POLICY AND STRATEGY

REPORT OF: ASSISTANT DIRECTOR: CUSTOMER & NEIGHBOURHOOD SERVICES

**LEAD CABINET MEMBER – CLLR ANGELA McCLEMENTS FOR TRANSPORT
CUSTOMER & NEIGHBOURHOOD SERVICES**

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 Our roads, footpaths, street lighting, bridges and other highway assets all play a vital role in supporting our communities and businesses, whether its accessing healthcare, education, local services, visiting family and friends or getting to work the highway network has an essential role to play. Its also our most expensive asset to maintain and look after. In support of this the Council has developed a vision for our highway network to act as a guiding light in transforming the way we deliver this service. The highways vision for Telford & Wrekin is:-

We will keep Telford moving by

- ✓ **Delivering a safe, efficient and sustainable highway to meet the needs of communities and businesses, providing access to jobs and services, supporting health and wellbeing and catering for future growth**
- ✓ **Maximising and managing investment into the highway network to support the local economy, investing in new technologies and our workforce to promote innovation and creativity**

Consultation, collaboration and community engagement will be the key to our success

1.2 The Council has developed a Highway Asset Management Policy & Strategy that sets out the newly-developed vision for highways in the Borough as well as the Council's approach to implementing asset management. This report seeks approval of the the Highway Asset Management Policy & Strategy at Appendix 1 to this report. The adoption of this policy and strategy will ensure the Council can maximise available highway maintenance funding.

1.3 Our overarching aim of '**Keeping Telford Moving**' form the basis of our Asset Management Policy and Strategy which links corporate priorities with asset management principles. The document focuses on 12 key asset management policy objectives along with a delivery strategy for each. The objectives are summarised separately in Appendix 2 of this report:

RECOMMENDATIONS

That Cabinet

- 1.0 Approves the Telford & Wrekin Highway Asset Management Policy and Strategy and its supporting Appendices.
- 2.0 Delegates authority to the Assistant Director of Customer & Neighbourhood Services (and any officer authorised in writing by that Assistant Director) to prepare documents and develop, agree, adopt and implement policies, strategies and capital programmes in accordance with the provisions of the Highway Asset Management Policy & Strategy and its Appendices.

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Maintenance of highway assets meets the corporate priority of "Ensuring that Neighbourhoods are Safe, Clean and Well Maintained".
	Will the proposals impact on specific groups of people?	
	No	Highway asset management impacts upon the safety and quality of life of all of our residents.
TARGET COMPLETION/ DELIVERY DATE	Implementation of the Asset Management Policy & Strategy will begin immediately following approval. Further documents as part of the Asset Management Framework will be delivered in due course.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The adoption of an asset management policy and strategy and achievement of band 3 in relation to incentive funding ensures that the Council maximises its allocation of available Department for Transport highways funding. Failure to have an approved Asset Management Policy & Strategy will result in the loss of up to £115k of additional incentive funding in 2017/18, up to £405k in 2018/19 and up to £579k in 2020/21. DR – 29/9/2016

LEGAL ISSUES	No	Under the Highways Act 1980, the Council as local highway authority has a statutory duty to maintain all publicly maintainable highways in the Borough (besides those roads which are maintainable by Central Government such as trunk roads). The Act also provides the Council with wide powers to improve highways. As well as being a necessary element of the funding arrangements outlined in this report, having an approved Highway Asset Management Policy & Strategy document is part of the Council's response to its duty and its powers to improve highways. There is no further legal comment to make in response to this report. (IR 14.09.16)
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Council will develop a set of other documents including a communication strategy, performance management framework, lifecycle planning which contribute to the delivery of asset management.
IMPACT ON SPECIFIC WARDS	No	Asset management has a Borough-wide impact for all our Wards and communities.

PART B) – ADDITIONAL INFORMATION

3.0 INFORMATION

Changes to DfT Funding

- 3.1 The Department for Transport (DfT) has changed the formula for allocating highway maintenance funding allocated to Local Highway Authorities. The new funding model allocates a proportion of the available funding on a need basis i.e. total length of roads, number of footways and street lights. This forms the base level of funding for each authority. An element of the total available funding has then been topsliced into a challenge fund and incentive fund for Highway Authorities.
- 3.2 The challenge fund totals £300m for 2015-2018 and £280m for 2018-2021. The challenge fund is a competitive bidding process for schemes that typically are too large to deliver through normal capital allocations. The Council was successful in securing £10.3m of challenge funding for the Telford Town Centre Connectivity Package (Rampart Way, Hall Park Way and the new Rail Station footbridge). This is a one-off allocation for these major schemes and the funding will not contribute to our annual maintenance programmes.
- 3.3 The incentive funding is based upon a self-assessment of where authorities are in relation to asset management. Authorities will be identified within one of three bands; band 1 being at the early stages of adopting asset management and band 3 being fully developed in implementing asset management. Authorities will be incentivised to adopted asset management over the next five years with funding being reduced to

those authorities which remain as band one or band two as demonstrated in table one below.

3.4 **Impact of the Funding Changes**

Our initial self assessment, carried out in January 2016 identified the Council as band 1. The financial implications of the banding's are shown in table 1. It should be noted that our baseline allocation decreases as more funding falls within the incentive element. The Asset Management Policy and Strategy will ensure the Council achieves band 3 by 2018. In order to achieve band 3 a number of areas are required to be developed or improved and these are set out in the action plan within the policy and strategy. Once adopted this policy will ensure that Telford & Wrekin Council is band 2 for this forthcoming financial year.

	Total allocation (£) 2016/17	Total allocation (£) 2017/18	Indicative allocation (£) 2018/19	Indicative allocation (£) 2019/20	Indicative allocation (£) 2020/21
Baseline allocation	3,165,000	3,069,000	2,778,000	2,778,000	2,778,000
Additional Incentive Funding					
Band 3	192,000	287,000	579,000	579,000	579,000
Band 2	192,000	259,000	405,000	289,000	174,000
Band 1	172,000	172,000	174,000	58,000	0

Table 1. (Highlighted cells show planned progress through the bands)

- 3.5 Within the Self Assessment Questionnaire there are a number of areas where Members are expected to provide support or show leadership in order to satisfy the DfT. In particular, Members are required to formally adopt an Asset Management Policy & Strategy (AMP&S). Regardless of our score in other questions, if we do not have an approved AMP&S we will automatically be placed in band 1 overall.
- 3.6 Our AMP&S can be found in Appendix 1. It contains a newly developed highways vision outlined in the summary of this report on page 1
- 3.7 This vision and the overarching aim of '**Keeping Telford Moving**' form the basis of an Asset Management Policy and Strategy which links corporate priorities with asset management principles. The document focuses on 12 key asset management policy objectives along with a delivery strategy for each. The objectives are summarised separately in Appendix 2 to this report:

Next Steps

- 3.8 Asset managers are using lifecycle planning and deterioration modelling to develop a long term programme of carriageway works. This, along with a full Asset

Management Plan will be brought to Members as part of the Annual Budget process. These documents form the basis of our Asset Management Framework and other documents will be developed in support of this in due course including a communication strategy, lifecycle planning and a performance management framework.

- 3.9 The next Incentive Funding self-assessment is due to be completed in Autumn 2016. Once this has been submitted, the incentive funding action plan will be updated to ensure that Telford & Wrekin Council will be Band 3 Highway Authority by 2018.
- 3.10 Progress on implementing asset management and on improving our Incentive Funding score will be reported through the governance structure described in the AMP&S.

4.0 BACKGROUND PAPERS

Appendix 1 – Highway Asset Management Policy & Strategy 2016

Appendix 2 – Asset Management Policy Objectives

Report prepared by Dominic Proud, Service Delivery Manager Transport & Highways Development



**PRIDE
IN YOUR
COMMUNITY**

**Telford & Wrekin Council
Highway Asset Management
Policy & Strategy
August 2016**

Foreword

It is recognised that a good transport network is essential for a successful economy. Our roads provide access to jobs, services, schools, get goods to the shops and allow us to make the most of our free time. Our local roads are at the heart of the transport network and have a key role to play in ensuring that transport in Telford delivers the services our residents need.

In order that the transport network meets this need, the Council has adopted 12 key Asset Management Policy objectives and developed a strategy to ensure their delivery.

The approach outlined in this document will ensure that the infrastructure of the Borough is maintained to the highest possible standard within existing budgetary constraints. It will help to provide direction and to shape the overall quality and resilience of the public realm in Telford and Wrekin.



Councillor Angela McClements
Cabinet Member: Transport, Highways & Customer Services



Contents

A. Background	4
1. The Corporate Context	4
2. The Transport Context.....	7
3. Current Situation	8
4. What is Asset Management and Why Use this Approach?	8
5. Our Asset Management Philosophy	9
6. Objectives of the Telford and Wrekin Asset Management Policy & Strategy.....	9
B. The Asset Management Policy & Strategy	11
Policy Objective 1: Commitment to Asset Management	11
Policy Objective 2: Data Collection and Asset Inventory	12
Policy Objective 3: Lifecycle Planning	13
Policy Objective 4: Levels of Service.....	14
Policy Objective 5: Scheme Selection	16
Policy Objective 6: Maintainability	16
Policy Objective 7: Performance Monitoring	17
Policy Objective 8: Emergency Works and Network Resilience.....	18
Policy Objective 9: Winter Service.....	19
Policy Objective 10: Stakeholder Communication	20
Policy Objective 11: Asset Management Framework.....	21
Policy Objective 12: Strategy Review	21
C. Appendices.....	23

**PRIDE
IN YOUR
COMMUNITY**

A. BACKGROUND

1. The Corporate Context

Our roads, footpaths, street lighting, bridges and other highway assets all play a vital role in supporting our communities and businesses everyday lives, whether its accessing healthcare, education, local services, visiting family and friends or getting to work the highway network has an important role to play.

Telford & Wrekin’s Highway Asset Management Policy and Strategy sets out how we will continue to develop and improve local transport infrastructure for the benefit of our communities and businesses. Our approach to effective transport asset management has evolved from consideration of the wider corporate objectives of the Council. These set out our commitment as a Co-operative Council to work with our communities to create 'Telford and Wrekin - the Place of Partnership, Enterprise and Innovation'.

The Council’s wider commitment is 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 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; and
- regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing.

Further detail on how the Council and its partners will deliver these commitments in the period up to 2020 is set out in the supporting Community Strategy '[Shaping Our Future: Our Journey to 2020](#)'

This wider, corporate policy is underpinned by the Council’s Transport Policy as set out in the [Telford and Wrekin Local Transport Plan \(LTP\) 2011-2026](#). The LTP is fully aligned with national policy and sets out 6 key objectives:

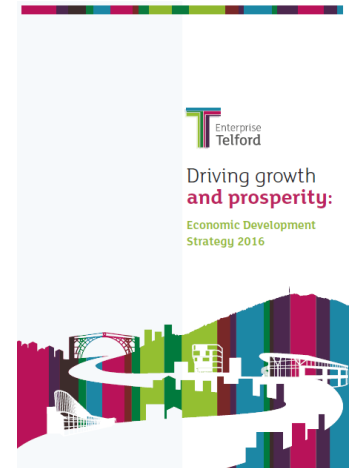
- Making travel more reliable and efficient, to attract jobs and support growth and regeneration;
- Maintaining highways effectively and efficiently;
- Reducing carbon emissions to help tackle climate change;
- Allowing everyone to access jobs, education, healthcare, shops and leisure;
- Improving safety and security on the transport network and promote active travel choices which encourage people to be healthier; and



- Improving the quality of life by reducing the visual, noise, air quality and other impacts of transport on people and the local environment.

The Council's economic development strategy 'Enterprise Telford' sets out the future vision for inward investment and jobs in the Borough. One of the key priorities within this strategy is 'Transform physical and digital connectivity' and the strategy notes:

'We want to continue to improve the quality and reliability of connectivity within the Borough, which is a key enabler of supporting people into work and sustaining employment. Telford enjoys purpose built infrastructure including serviced employment parks designed to sustain industrial and business growth, however the New Town legacy (the separation of employment and residential development and the reliance on car travel) has created a barrier to communities in our more deprived estates where car ownership rates are lower.'



Maintaining the highway has an important role to play in this regard, studies have shown that on average, businesses affected by poor road condition lose over £8,000 a year on vehicle damage and increased fuel costs. In addition a third of businesses also lose about £15,000 each per year because the condition of local roads reduces their competitiveness. Other studies have also estimated that the wider economic impact of poor road condition is costing the economy and small and medium enterprises – which contribute up to 60 per cent to the economy in some regions – £4.1 billion in England and Wales.

The Council's 'Being the Change' document sets out the four key themes required in order to create a culture that can deliver whilst overcoming the significant challenges that local authorities face.

The four key themes are:

- A. Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services
- B. Challenging and changing, reviewing and reimagining the way we do things
- C. Reducing our dependency on Government grants
- D. Being a modern organisation with modern practices and where we always get the basics right

These themes are the foundation on which we manage and maintain our highway assets. Overall we will work together and with our partners in support of these key priorities to 'Keep Telford Moving'.

**PRIDE
IN YOUR
COMMUNITY**



The Telford and Wrekin Highways Vision guides all aspects of our highways service, including the management of our assets.

Telford and Wrekin Highways Vision

We will keep Telford moving by

- Delivering a safe, efficient and sustainable highway to meet the needs of communities and businesses, providing access to jobs and services, supporting health and wellbeing and catering for future growth
- Maximising and managing investment into the highway network to support the local economy, investing in new technologies and our workforce to promote innovation and creativity

Consultation, collaboration and community engagement will be the key to our success

The vision will lead the way forward and there are a number of opportunities and challenges ahead, including:

- The move to a more asset management focussed approach and the associated change to highways maintenance capital funding, with the introduction of an incentive funding element;
- Opportunities for major scheme bidding through Marches LEP and Central Government;
- Procurement of a new highways contract in 2019; and
- Channel shift to provide business efficiencies and improve communication with residents, parish and town councils and ward members.



2. The Transport Context

Telford & Wrekin’s transport links feature good road and rail connections to the rest of the country. The M54 motorway provides a direct connection to the West Midlands conurbation and the M6 (S). It runs through the heart of the borough with four junctions providing unrivalled vehicle access for inward investment. All of the borough’s major employment sites are located within a few minutes of the M54. It is also served by the A5 which runs parallel to the M54. This road forms part of the UK/Ireland-Benelux road axis of the Trans-European Network.

The borough has an extensive road system, including Primary Routes such as the A41 and A518. The A442 Eastern Primary Route acts as a key north-south distributor road within Telford as well as providing longer distance connection to Kidderminster in the south and the A41 and Whitchurch in the north.

The urban area has over 210 km of cycleway as well as a significant public footpath network, much of which runs through attractive green spaces and is used for leisure and work-related commuting.

The World Heritage site of Ironbridge is situated on the southern fringes of the Borough and is the home of the world’s first ever iron bridge. The bridge crosses the River Severn which, at this location, runs through a steep sided gorge. The area is particularly prone to flooding at times of heavy rainfall in the upper catchment areas of the river. This causes significant damage to local highway infrastructure. Many parts of the Borough were also the subject of heavy mining activity in the past and this also impacts on the asset management challenges that the Borough faces.

As a New Town, much of the infrastructure dates back to the mid 1960’s and a planned approach is required to provide for future maintenance in a cost effective manner. The estates in the New Town area are based on the classical Radburn lay out. The residential and industrial areas are separated by a system of high speed distributor roads with local distributor roads providing access within the housing and industrial estates themselves. Links for pedestrians and cyclists are, in the main, segregated from the main highway links.



**PRIDE
IN YOUR
COMMUNITY**



3. Current Situation

Historically, like many other local authorities in the UK, we have lacked an effective plan-led approach to Asset Management. The Borough has undergone several administrative changes since the establishment of Telford as a New Town in the 1960's. The Borough has also been affected by the de-trunking of certain key roads. Both of these factors have had significant implications for the effective and seamless transfer of highway asset data during this period.

In addition to this funding for highways has continued to fluctuate with long periods of under investment by Central Government. Since the recession and comprehensive spending review in 2010, the Council has had to save over £80m overall with a further £30m to be saved by 2020. This has affected available resources and standards of service delivery. Going forward we have to change our approach to maintenance in order to maximise available funding and to manage the risks associated with this. However despite this backdrop the Council's cabinet have continued to invest into the Highways Capital programme despite the level of financial pressures and also provided additional 'Pride in Your Community' funding, some of which has enabled investment into local estate roads which may otherwise have deteriorated further.

In recent years we have undertaken significant steps to improve our management of the network including improving the use of data recording processes to make the best use of rapidly changing technology. We now have in place an effective GIS based register of publicly adopted roads, bridges. A project is in place to further develop an effective GIS based Public Rights of Way register. The Council has also adopted systems to allow for the management and recording of customer issues, defects, condition data and the management of our asset inventory.

Details of primary data collection methods and techniques for each of the main asset groups along with data storage system information are to be found in **Appendix A**.

4. What is Asset Management and Why Use this Approach?

Asset management can be defined as

'A strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure to meet the needs of current and future road users'

To put it more simply, asset management is about using data and intelligence from a range of sources in order to maximise the useful life of an asset to meet expectations both now and in the future.

Asset management has been described as a jigsaw that brings together existing practices, systems, policies and approaches to form a coherent picture for individual highway assets and our asset stock as a whole. We are adopting this approach because it brings us an overarching structure along with a number of specific benefits including:



- Improved highway data and up to date inventory information;
- Budget allocation by need rather than by historical precedent;
- Maintenance standards more closely aligned to customer needs;
- Joined up approach to managing all assets, even when managed by different teams;
- Sufficient information to address maintenance backlogs;
- Evidence to enable decision makers to understand the value of additional investment;
- Improvements in the defence of third party claims;
- Evidence and data to allow us to identify ongoing improvement efficiencies;
- Improved ability to manage the impact of others working on our assets (e.g. statutory undertakers); and
- Strong understanding of the links between treatments, costs and results

5. Our Asset Management Philosophy

Different parts of our road network fulfil different functions. To reflect this we have adopted a road hierarchy approach which focuses on the importance of the strategic elements of the highway in delivering economic growth and those roads at the other end of the hierarchy in relation to delivering a safe and sustainable community. The hierarchy can be found in

PRIDE
IN YOUR
COMMUNITY



Appendix C.

We recognise that the wise and prudent use of limited public funds is vital and we firmly believe that our adoption of an asset management approach will enable greater value for money to be obtained by taking a plan led approach focussing on a longer term view in relation to key investment decisions. This approach will maximise the benefits for future prosperity and quality of place by ensuring the right investment decisions are made in regard to the transport network.

We will now proceed to develop an Asset Management Plan which will set out in detail how we intend to deliver the policies outlined in this document. This will take a long term view and will help us to make informed maintenance and investment decisions. It will take account of stakeholder requirements, promote levels of service, identify targets, assess options and point towards a preferred strategy for meeting these targets in the most cost effective manner. As such, it will include more detailed consideration of network performance, asset data, lifecycle planning and will identify a forward capital programme. It will also set out effective monitoring arrangements.

6. Objectives of the Telford and Wrekin Asset Management Policy & Strategy

Our Asset Management Policy & Strategy (AMP&S) is outlined in Section B of this document. Its purpose is to set out our overarching approach to the management of the highway asset. This is of fundamental importance to ensure that there is an appropriate allocation of resources for the longer term management, maintenance, operation and renewal of the asset to meet the wider corporative objectives of the Council and user requirements.

Our approach will ensure that the infrastructure of the Borough is maintained to an acceptable standard within available funding that will create a strong image and brand for the Borough and which will help to shape the overall quality of place. As such, our AMP&S will be the bedrock of effective planning and service delivery and will be promoted and integrated with other management and information systems of the Council.

The AMP&S will lead to the development of a well-planned programme of maintenance to ensure that goods and people can continue to move efficiently in the future as the Borough grows. Poorly planned maintenance can be a major source of traffic congestion creating problems for local businesses and residents. Keeping traffic flowing reduces vehicle emissions thereby, helping the Council to create a strong environmental brand of helping to reduce global warming and improving local air quality. Good maintenance is also key to making the network safer for all road users including the elderly, children, pedestrians and cyclists.

In terms of spatial coverage, the differing roles and functions of different parts of the network are recognised within the AMP&S. This will ensure that both the type and quality of maintenance work required is specifically tailored to each road's role in the overall network hierarchy. This will ensure that available finance is invested wisely. The establishment of a clear road hierarchy that is accepted by all stakeholders is important in this regard. The road hierarchy is set out in



Appendix C.

The AMP&S will take into account the travel demands placed on the network arising from both existing and planned residential and industrial developments. It will accommodate movement by all road users and, as such, will take account of national and local transport policy.



**PRIDE
IN YOUR
COMMUNITY**



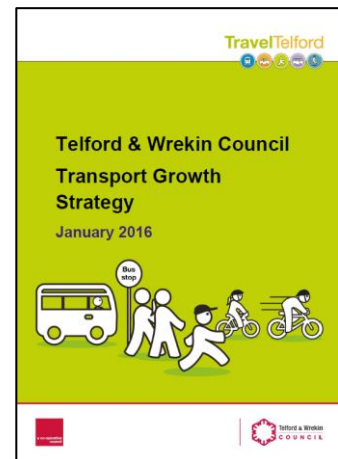
B. THE ASSET MANAGEMENT POLICY & STRATEGY

Overarching Aim: Keeping Telford Moving

We will provide a safe, well managed, maintained and resilient transport network for all who use it. We will make every effort to understand the current and future demands on the transport infrastructure and our stakeholders' needs.

In line with our highways vision, the overarching aim of this policy and strategy is that keeping Telford moving. Our Transport Growth Strategy ['Keeping Telford Moving'](#) sets out our intentions in this regard.

Twelve policy objectives have been developed in order to ensure that we reach a level of maturity in our approach to asset management. They identify how we will show our corporate commitment to the principles of asset management through developing asset-specific lifecycle plans and programmes of work, based on well managed data and agreed levels of service; how we will regularly review our strategies, data and performance; how we will ensure that our network is maintainable and resilient; how we will communicate with stakeholders; and how we will develop an asset management framework for the borough.



Policy Objective 1: Commitment to Asset Management

We will adopt and promote the principles of asset management to give a strategic approach to managing the highway network. This will provide clarity and confidence to decision makers in relation to current and future planned maintenance.

We are managing our highway assets in the context of an ageing network, reducing revenue funding, high public expectations and increasing pressure on local government services. An asset management approach, supported at all levels, helps us to work effectively and efficiently with limited resources now and in the future by:

- focusing on outcomes that help to prioritise future funding decisions;
- replacing short-term reactive repairs, with longer term cost-effective repairs and thereby providing value for money; and
- providing a clear evidence base to justify the need for investment in highways management and supporting decision-makers in reconciling short-term pressures and long-term priorities

PRIDE
IN YOUR
COMMUNITY

The highway network is vital to the growth and prosperity of the Borough. It is the single most valuable asset that the Council owns, valued at just over £1.3bn. As such, it is vital that the network is resilient and able to cope with the future pressures as the Borough continues to prosper and grow.

The purpose of the Highway Asset Management Policy and Strategy is to provide a clear position on how we will maintain the whole highway network to ensure that it is adequate to support the growth of the Borough and specifically to meet the Council's Strategic Priorities.

Policy Objective 2: Data Collection and Asset Inventory

We are committed to a robust data collection and management programme for all assets. This will provide the information required to enable lifecycle planning to be undertaken and for levels of service to be fully developed.

A wide range of data is required for effective asset management and is used to

- establish the network inventory;
- describe its current condition and performance;
- assist with decision making;
- support communication with stakeholders;
- assess and manage risk;
- assess the effectiveness of alternative forms of maintenance treatments;
- assess alternative lifecycle planning strategies; and
- undertake value for money appraisals

Improving the quality and availability of highway asset data is one of our key aims. Up to date and accurate asset data is essential for effective management of all highway assets and is crucial if we are to comply with the requirements of Whole of Government Accounts (WGA). However, data collection can be expensive and resources need to be allocated to enable timely and efficient analysis. Ongoing maintenance of the asset databases requires the allocation of appropriate resources and therefore each asset type has been allocated to a specific asset manager whose role includes ensuring that accurate inventories are maintained.

A data collection and asset survey regime is in place for all assets, but the level and accuracy of information varies by asset type. Highways asset data is currently stored in a number of systems and it is our aspiration to bring all assets together into one comprehensive database. Details of the primary data collection methods and techniques for each of the main asset groups along with data storage system information are summarised **Appendix A**.

A borough-wide asset data collection exercise was undertaken in 2013 using video surveys. This data now forms the basis of our asset inventory for carriageways, footways, signs & bollards and street furniture. In addition we have well developed inventory information for our

PRIDE
IN YOUR
COMMUNITY

bridges and a separate street lighting inventory which until recently has been used primarily for providing accurate energy usage information.

We will regularly review our data collection procedures and frequencies to ensure that we make the best use of available survey equipment and technology, and are collecting the required information in the most efficient way.

Policy Objective 3: Lifecycle Planning

We will establish lifecycle planning, based on the current condition of each of the main asset groups. This will provide a robust understanding of how deterioration rates and future funding levels will impact on the long term condition of these assets. The lifecycle planning process will provide a solid foundation and evidence base for smart decision making and enable Levels of Service to be set with confidence.

Lifecycle planning is the process which links Levels of Service, current condition, future maintenance and budget requirements for an asset or group of assets. A detailed lifecycle plan will chart an asset’s life from creation to disposal, setting out the options for maintenance over the course of its life.

Lifecycle planning and deterioration modelling is necessary in order to:

- derive an effective long term maintenance strategy;
- ensure that targets are met in a manner that maximises value for money;
- assess the cost and likely impact of alternative maintenance treatments on network performance over time by asset and road type as well as geographic area – the latter is often important in political terms; and
- ensure that costs are minimised over the lifecycle of the asset whilst still meeting performance targets.

Lifecycle planning allows funding requirements to be clearly identified to enable maintenance works to be properly planned for the most effective period of the asset’s life. Where funding is constrained, or unavailable, lifecycle planning allows the extent to which the asset has deteriorated to be quantified so that the impact on its lifespan can be understood. Effective lifecycle planning will help us to move away from the traditional ‘worst first’ approach, whereby we focus on assets that look like they are most in need of maintenance. It will allow us to target investment at assets which represent the greatest risk or where maintenance would deliver the optimum benefit in line with the Council’s Strategic Objectives.

Differing treatment strategies and materials can have different impacts and different service lives. For instance, in terms of the carriageway asset, reactive treatments such as infilling of pot holes can have an immediate and positive stakeholder impact for low cost. However, it may not offer the best value for money solution in the longer term. Preventative forms of routine maintenance, such as regular surface dressing programmes, can protect the structure of the



road more effectively and again are relatively low cost. Structural maintenance, such as partial reconstruction of the carriageway, is more expensive but offers greater structural integrity. In certain situations full reconstructions, whilst being the most expensive form of treatment, may in the longer term offer the best value for money solution.

Differing forms of treatment may be required for differing types of road depending on the importance of the road in the overall road hierarchy. Also, differing materials can be used, again with differing costs and impacts

We will also take into consideration the fact that, over time, it may become evident that certain new materials and techniques do not, in real life situations, deliver the levels of performance originally expected by the manufacturer. Service life and deterioration profiles may be different than predicted and this will be monitored as part of the Asset Management process.

We will ensure that the Highways Capital Programme is linked into the Highways Revenue programme. This will ensure that any new capital expenditure is fully integrated with the revenue funded maintenance programmes. Examples include the construction and adoption of new roads and associated infrastructure arising from the opening of new developments.

The development of detailed lifecycle plans for each of Telford & Wrekin's highway assets is ongoing and these will form the basis of our Transport Asset Management Plan (TAMP). In developing our investment strategy we will consider the following issues:

- What is the level of performance required to maintain steady state condition and what is the budget required?
- What is the level of performance that can be achieved with a fixed budget?
- What is the budget requirement to deliver the performance required?

More detailed information on the lifecycle planning approach can be found in **Appendix D**.

Policy Objective 4: Levels of Service

We will define and apply Levels of Service for each asset group. These will determine the condition at which each of the asset groups will be maintained and will relate to the available funding. Stakeholders will be consulted before Levels of Service are applied.

Levels of Service define the standard to which an asset will be maintained against the level of funding that is available. They provide a clear statement against which they can be measured.

Once a Level of Service has been set for an asset, lifecycle planning is used to determine the resources that will be required to maintain the asset in the condition stated within the Level of Service, and to identify the optimum times for repair and replacement within the asset lifecycle. As a minimum we will work to ensure that the transport network enables local residents and businesses to undertake their daily activities in a safe and sustainable manner.

PRIDE
IN YOUR
COMMUNITY

Table 1 describes the Levels of Service are used within our highway asset management practice:

Level of Service	Description
Statutory	Meeting the minimum statutory and legislative requirements
Existing	Continuation based on current funding levels
Steady State	Maintaining the current condition, performance and value of the asset
Requested	Based on stakeholder expectations or aspirations
Optimum	The economically optimal level of service determined through life cycle planning
Attainable	A refinement of the optimum level of service based on available resources and funding

Table 1: Levels of Service

Levels of Service will vary by asset, and each of the asset groups will have its own technical definition for each level based on asset specific maintenance needs. Levels of Service are necessary for managing stakeholder expectations, particularly where funding is restricted. They provide a direct link between the objectives of the Policy and Strategy and the results of scheme delivery. Asset managers will work together to define their levels of service prior to consultation with stakeholders in 2017. However Levels of Service will need to be set in the context of future funding. It would be a failure to set Levels of Services so high that they cannot be achieved within the likely available funding thereby raising expectations and failing to achieve these.

Additional information in relation to Network Performance and Service Levels can be found in **Appendix E**.



Policy Objective 5: Scheme Selection

We recognise that the process for identifying planned maintenance works varies for each of the main asset groups and we will make planned maintenance decisions based on asset data, lifecycle planning and the agreed Levels of Service for each asset type. This will include developing a five year plan for investment in carriageways.

We investigate and prioritise proposed schemes before selecting them to become part of our forward works programme. This means they will be planned for delivery within the following five financial years, at the point where funding can be allocated for the work. The forward works programmes are carefully designed to minimise disruption and maximise efficiency by delivering maintenance works for multiple nearby assets together into the same package of works where possible. This will include the development of a five year plan for carriageways giving greater certainty to residents if and when works will likely to be undertaken. This will improve forward planning, communications and could help to drive better value through delivery by giving contractors greater certainty. Consideration will be given to developing longer term programmes for other assets as well including footways where appropriate to do so.

The forward works programme for each type of highway asset is published on our website - www.Telford.gov.uk/roadworks

Policy Objective 6: Maintainability

To ensure that our highway improvement schemes are truly maintainable, asset managers will carry out a maintainability audit for any schemes that affect the assets they manage. Consideration will also be given to the development of a core pallet of trusted materials for highway works.

Maintainability is a key component of asset management. We will introduce a maintainability audit process covering Council-led schemes to ensure that whole life costing and lifecycle planning are considered in the design process and asset managers are involved in decisions relating to assets that they will manage in the future. In order to identify ease and cost of maintenance, including replacement costs for damaged materials, we will audit designs for projects amend the highway. Designers will be encouraged to select materials on the basis of durability, ease of sourcing, whole life costs and supplier location.

**PRIDE
IN YOUR
COMMUNITY**

The development of a materials pallet will formalise selection of materials. It will also optimise the asset lifespan, create a consistent appearance across the borough and reduce reactive maintenance costs. The pallet will be reviewed regularly and will consider new materials and technologies as they become available. It will complement the Developer’s Design Guide which is currently being developed for external schemes.



Policy Objective 7: Performance Monitoring

Performance monitoring will be applied to our asset management policies, practices and processes and we will use all available data to ensure continual improvement in all aspects of asset management. Performance monitoring will be undertaken at a strategic, tactical and operational level.

Performance monitoring will incorporate, but not be limited to, the development of performance indicators. We will carry out strategic monitoring to ensure that the outcomes of this strategy are being met and that all processes are documented and are effective. Through system audits we will monitor the accuracy of the data held in our asset management systems and work to improve the data quality and outcomes.

Performance indicators will be developed to assess how successfully asset management is being applied locally. They will include indicators measuring data quality; asset condition; public satisfaction, contractor performance and results of benchmarking with similar organisation. They will feature in a formal monthly reporting process to the Assistant Director

**PRIDE
IN YOUR
COMMUNITY**



for Customer & Neighbourhood Services. In addition they will be an agenda item in the forums shown in table 2:

Forum	Key Attendees
Internal Strategic Board	<ul style="list-style-type: none"> • Director: Customer, Neighbourhood & Wellbeing Services • Assistant Director: Customer & Neighbourhood Services • Service Delivery Manager: Transport & Highways • Cabinet Member: Finance, Partnerships & Commercial Services • Cabinet Member: Transport, Highways & Customer Services
Highways Contract Strategic Board	<ul style="list-style-type: none"> • Assistant Director: Customer & Neighbourhood Services • Service Delivery Manager: Transport & Highways • Regional Manager: TWS (FCC)

Table 2: Highways Asset Management Governance Framework

Both boards will review performance and use the information to identify areas where improvement plans are required. The internal strategic board will be responsible for the Policy and Strategy and improvements in our asset management practice. The Highways Contract Strategic Board will use performance information to develop service improvement plans for maintenance activity. Results from the performance monitoring will also be included in an annual report documenting our asset management performance, making them publicly available. It is envisaged that this will be included in the Council’s annual budget report along with other asset management information.

Performance information will be shared amongst highways asset managers who will meet regularly with other local authorities through structured frameworks such as the Midlands Service Improvement Group (MSIG) to benchmark performance and discuss best practice.

Policy Objective 8: Emergency Works and Network Resilience

We will further develop a resilient network that is able to cope with a range of highly disruptive events. The resilient network will be maintained to the required Level of Service to maintain access to the essential areas of the Borough should such an event occur.

We fully recognise the vital role transport has to play in maintaining the borough’s economic vitality. Maintaining essential transport links to employment, education and training opportunities is essential in this regard. The Strategic Resilient Network (SRN) is made up of core local routes which are required in order to maintain economic activity and access to key



services during extreme weather. Phase 1 of the development of our SRN comprised identification of a revised road hierarchy (



Appendix C) which has been pulled together with the winter service routes (**Appendix F**) as these are seen to be the key routes for emergency access as outlined above.

In Phase 2, the Highways Team will work alongside the Civil Resilience Manager and key stakeholders to further develop the SRN in order to take into account other policies and plans such as the Severe Weather Plan and Operation Tangent, the specific plan for responding to a landslide in Ironbridge Gorge.

As the SRN develops it will be factored into, and prioritised in, maintenance decisions to ensure that it remains in a condition to serve its function in the event of major disruption.

Policy Objective 9: Winter Service

We will ensure so far as is reasonable practicable, that safe passage along the key highway network will not be endangered by snow or ice.

In line with 'Well Maintained Highways' the national code of practice for highway maintenance, this strategy uses the term Winter Service as the requirements during winter are specialist operations rather than physical maintenance.

The winter service is undertaken to assist in the safe movement of all road users including buses, cyclists, motorcyclists and pedestrians and to minimise delays caused by adverse weather conditions. Consequently it is important in terms of both road user safety and the economy. It is a reactive service, delivered on the basis of need in response to extreme weather conditions.



We will continue to review our Winter Service Plan on an annual basis and will ensure that this links with the ongoing development of the SRN. The 2015/16 Winter Service Routes are shown in **Appendix F**.



**PRIDE
IN YOUR
COMMUNITY**



Policy Objective 10: Stakeholder Communication

We will ensure that key stakeholders and members of the public have easily accessible and direct channels of communication to report issues, provide input into the management of the highway asset, and be kept informed about highway maintenance works and key decisions.

Well Maintained Highways describes highway authorities as ‘stewards’ of the highway network. In our role as stewards we maintain the highway network for the benefit of those who use it and our communication strategy aims to provide stakeholders with the information they need in order to understand the decisions that we make. It also provides the means by which they can communicate with us, although our aim is to minimise inward communication by providing the right information to the right audience at the right time.

High level asset management information is provided through our website. The development of this information is ongoing and whenever possible it takes the form of frequently asked questions (FAQs), particularly in relation to specific treatment types.

We have a well-established, formal communication process (**Appendix G**) linked to our Pride in Your Community brand. The process is embedded into scheme delivery and incorporates a range of communication types including emails to stakeholders, letter drops and posters on site as well as the use of web pages and social media to keep stakeholders informed. We are also exploring the use of QR codes. The process is reviewed throughout the year and amended whenever improvements are identified.

Our incoming communication process is based on the principles of Channel Shift. Highway users will always need to contact us and are encouraged to do so using electronic means such as our website or the Everyday Telford smartphone App which allows highway defects to be reported directly through to the officer who will assess them and arrange for repair. It is our ambition to provide sufficient outgoing information to remove the need for stakeholders to contact us about the delivery of asset management schemes.

Stakeholders are able to communicate with us about our asset management performance in a number of ways including customer feedback requests which will be sent to a random sample of scheme frontages in autumn each year. This feedback will be used to identify areas where we can improve the quality of the information that we provide to stakeholders along with areas where our contractors can improve their performance. We also receive annual customer feedback through the National Highways and Transportation (NHT) survey. Information from stakeholder feedback will be monitored as a key performance measure and will feed into the quarterly board meetings as outlined in Policy Objective 7: Performance Monitoring.



PRIDE
IN YOUR
COMMUNITY

Policy Objective 11: Asset Management Framework

A suite of asset management policy and process documents will be developed. These documents will form the framework for asset management in Telford and Wrekin.

The Highways Maintenance Efficiency Programme (HMEP) recommends that highway authorities should have a documented asset management framework (AMF) that comprises the activities and processes that are necessary to develop, document, implement and continually improve asset management. This framework should be endorsed by senior decision makers.

Our asset management framework will further develop the 12 policy themes set out in this document and expand on the context in which we carry out asset management as part of the TAMP. The suite of documents will include operational policies, lifecycle plans, internal guidance documents etc. **Appendix H** lists documents that have already been identified for inclusion.

Once it is fully developed our AMF will be subject to annual review in order to ensure that our asset management approach is robust.

Policy Objective 12: Strategy Review

We will review the Asset Management Policy and Strategy and supporting documents on an annual basis. This review will include consultation with key stakeholders if major changes are proposed.

The Asset Management Policy and Strategy are considered to be working documents and as such they will develop and change as our asset knowledge improves and as we develop to asset management maturity.

We will develop a formal review process for both documents. This process will involve all asset managers and asset management budget holders. Changes will be agreed through the Internal Strategic Board and, as the Council's Property Asset Management Plan is already included in the annual budget report this has been identified as the route through which highways asset management should be reported for executive sign off.

Next Steps

PRIDE
IN YOUR
COMMUNITY



Our Asset Management Policy & Strategy brings together high level asset management information and summarises the direction in which we will travel. Throughout the document reference is made to actions that we will take in order to establish a mature asset management approach. The Action plan for these next steps in the process can be found in **Appendix I**.



**PRIDE
IN YOUR
COMMUNITY**



C. APPENDICES

- A Details of the primary data collection methods and techniques for each of the main asset groups along with data storage system information
- B Asset Types and Inventory
- C Highways Network Hierarchy
- D Lifecycle Planning and Deterioration Modelling
- E Network Performance and Service Levels
- F Winter Service Routes
- G Highways Works Communications Process
- H Documents identified for inclusion in the Asset Management Framework
- I Asset Management Action Plan

**PRIDE
IN YOUR
COMMUNITY**



Appendix A

Primary Data Collection Methods and Techniques for Each of the Main Asset Groups

Asset Group	Asset Type	Survey Type	Description	Frequency	Framework / Guidance	Purpose	Inventory Type
Carriageways	Principal Road Network	SCANNER Condition Survey	Detailed scanner survey of road profile from a moving vehicle	Annually	UKPMS	DfT reporting / long term programme development	UKPMS/Horizons
Carriageways	Principal Road Network	SCRIM Survey	Provides data on skid resistance values	Annually	HD 28/15	DfT reporting / identify safety schemes	UKPMS/Horizons
Carriageways	Non-Principal Road Network (B & C Roads)	SCANNER Condition Survey	Detailed scanner survey of road profile from a moving vehicle	½ of B classified ¼ of C classified annually	UKPMS	DfT reporting / long term programme development	UKPMS/Horizons
Carriageways	Non Principal Road Network (U Roads)	Coarse Visual Inspection (CVI) Survey	Visual Inspection	¼ of unclassified annually	UKPMS	DfT reporting / long term programme development	UKPMS/Horizons
Carriageways	All Types	Highway Safety Inspections	Visual Inspection	Monthly, Bi-Monthly, 4-monthly or 6-Monthly	Well Maintained Highways Code of Practice	Carriageway Safety Surveys plus limited condition data	Mayrise/Horizons
Carriageways, Cycleways and Footways	Highway Adoption Records	Data Capture	Detailed data capture of Highway Adoption records	Ongoing data capture	Legal Highway Adoptions	Electronic record of adopted highway	GIS
Cycleways	All Types	Cycleway Safety Inspections	Visual Inspection	6-Monthly or annually	Well Maintained Highways Code of Practice	Cycleway Safety Surveys	Mayrise/Horizons
Footway	All Types	Footway Safety Inspections	Visual Inspection	Monthly, Bi-Monthly, 4-monthly, 6-Monthly or annually	Well Maintained Highways Code of Practice	Footway Safety Surveys	Mayrise/Horizons
Footway	All Types	Footway Network Inspections (FNS)	Visual Inspection	25% of footway network annually	UKPMS	Footway Condition Surveys	UKPMS/Horizons
Other Assets	Gullies	Data Capture	Visual inspection and GIS capture	Ongoing data capture	HMEP Highways Infrastructure Asset Management Guidance	Whole Government Accounts / Asset Management	GIS
Other Assets	Traffic Signs (inc. bollards)	Data Capture	Visual Inspection	Ongoing data capture	HMEP Highways Infrastructure Asset Management Guidance	Whole Government Accounts / Asset Management	Horizons
Other Assets	Traffic Calming	Data Capture	Visual Inspection	Ongoing data capture	HMEP Highways Infrastructure Asset Management Guidance	Whole Government Accounts / Asset Management	Horizons
Other Assets	Street Nameplates	Data Capture	Visual Inspection	Monthly, Bi-Monthly, 4-monthly or 6-Monthly Ongoing data capture	Well Maintained Highways Code of Practice HMEP Highways Infrastructure Asset Management Guidance	Safety Surveys Whole Government Accounts / Asset Management	Mayrise/Horizons
Other Assets	Vehicle Restraint Systems – linked to structures	General Inspection	Analysis of structural integrity	Bi-Annually	Code of Practice	Whole Government Accounts / Asset Management	Web-based asset inventory

Other Assets	Vehicle Restraint Systems – not linked to structures	Data Capture	Visual Inspection	Monthly, Bi-Monthly, 4-monthly or 6-Monthly	Well Maintained Highways Code of Practice HMEP Highways Infrastructure Asset Management Guidance	Safety Surveys Whole Government Accounts / Asset Management	Mayrise/Horizons
Other Assets	Pedestrian Guardrail	Data Capture	Visual Inspection	Monthly, Bi-Monthly, 4-monthly, 6-Monthly or annually	Well Maintained Highways Code of Practice HMEP Highways Infrastructure Asset Management Guidance	Safety Surveys Whole Government Accounts / Asset Management	Mayrise/Horizons
Other Assets	Grit Bins	Data Capture	Visual Inspection	Annually	HMEP Highways Infrastructure Asset Management Guidance	Whole Government Accounts / Asset Management	GIS/Mayrise/Horizons/Excel
Street Lighting	Electrical	ELI OHMS Testing	Resistance and High value readings	6 Years	TR22	Risk reduction and compliance with legislation	GIS
Street Lighting	Structural	Dip Stick Testing	Hot Swag Loss and deterioration	6 Years	TR22	Lifecycle planning and risk reduction.	GIS
Structures	Highway Structures (including retaining walls)	Principal Inspections	Detailed, Hands-on, Inspection	Bi-Annual	BD 63. Management of Highway Structures Code of Practice.	Identify defects, track deterioration and inform scheme selection.	Web-based asset inventory
Structures	Highway Structures (including retaining walls)	General Inspections	Visual Inspection	Bi-Annual	BD 63. Management of Highway Structures Code of Practice.	Identify defects, track deterioration and inform scheme selection	Web-based asset inventory
Structures	Highway Structures	Structural Assessments	Analysis of capacity of structure	Following major changes to loading, condition or nature of structure.	Design Manual for Roads and Bridge (BD21, BA16, BD 44, BD 101, BD 86, BD 61, BD 44, BD 56, BD 48, BA 39, BA 55, etc.)	To determine structural capacity of bridge and safe working loads	Web-based asset inventory
Traffic Signals	Traffic Signals and associated equipment	Periodic Inspections	Detailed data capture of asset including, visual inspection & fully equipment inventory	Ongoing data capture as assets are upgraded	Design Manual for Roads and Bridges Vol 8 Part 2 TD24/97	Identify defects, track deterioration and inform scheme selection.	GIS




Appendix B

Asset Type and Inventory Information

Asset Type	Amount	Data Inventory source and confidence
Carriageways & Footways		
Carriageways A	109.77km 977364m ²	
Carriageways B	72.8km 505807m ²	
Carriageways C	258.39km 1587461m ²	
Carriageways U	555.37km 2961349m ²	
Cycleways/Cycle Tracks	212.59km	
Footway Gullies	1000	Incomplete data
Footways	750.64km 1573133.6m ²	
Highway Drains	100,000m (minimum)	Incomplete data
Kerb	-	No data
Lay Bys	-	No data
Road Gullies	35,000	
Vehicle Restraint Barriers (inc. structures)	73,000m	
Structures		
Bridges –Road and footbridges	169	
Culverts (over 1.2m)	38	
Retaining Walls	4.5km (Ironbridge only)	Incomplete data
Subways	80	
Street Lighting		
Streetlights	22691	
Subway Lights	901	
Intelligent Traffic Equipment		
Car Park Management Signs	0	
Dual Pelican / Puffin / Toucan	12	
Real Time Passenger Information	0	
Traffic CCTV Cameras	4	
Traffic signal cable ducting	53000m	
Traffic signal controllers	100	
Traffic Signal Junctions	38	
Traffic Signal Pelican / Puffin / Toucan	48	
UTC centres	1	
Variable Message Signs (VMS)	8	
Vehicle Actuated Signs (VAS)	8	

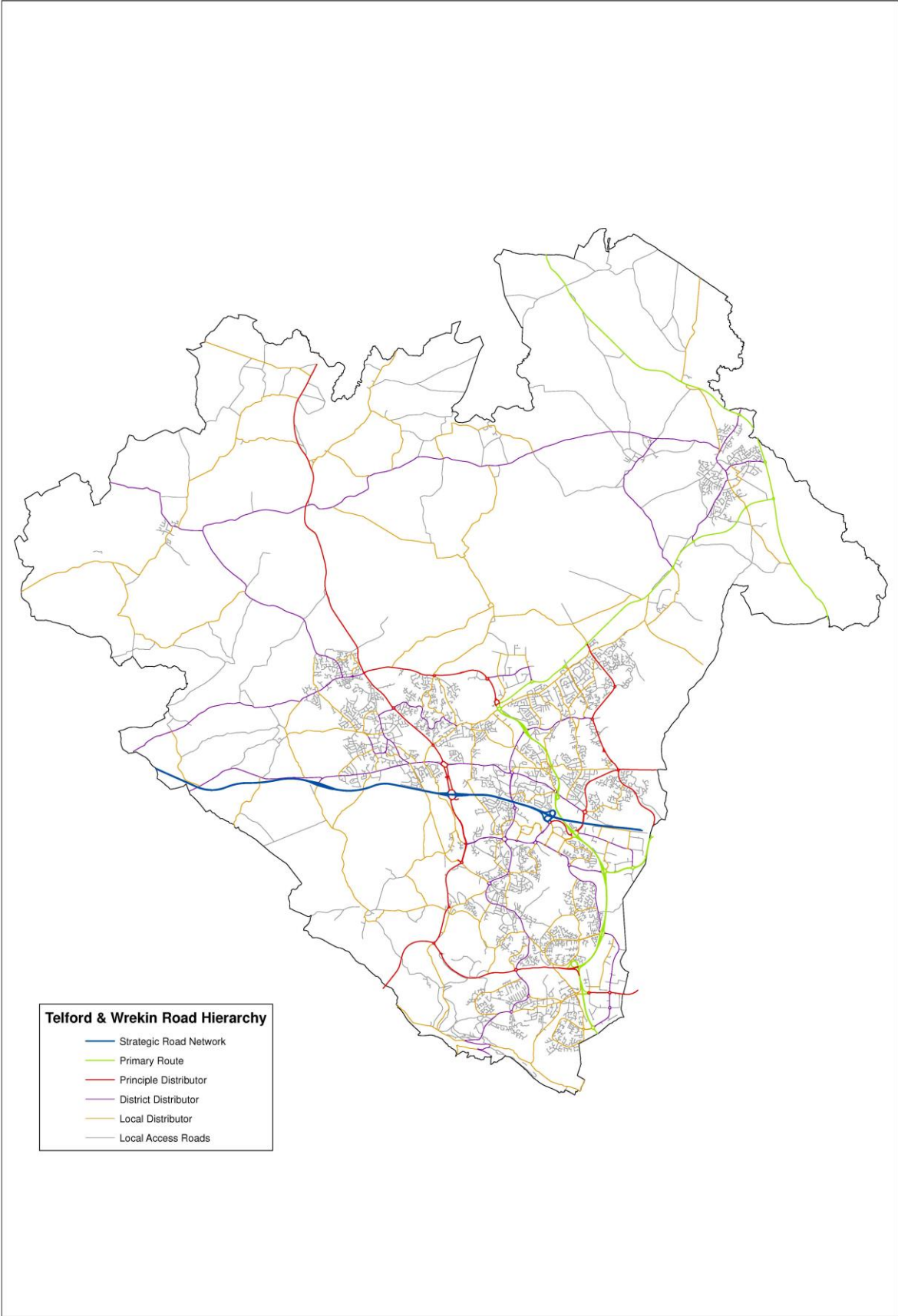
Asset Type	Amount	Data Inventory source and confidence
Traffic Management Assets		
Belisha Beacons	35no	
Bollards	13,561	
Bus Stop Shelters and Flag Posts	1000	Incomplete data
Car Parks	30	
Fingerposts	50	Incomplete data
Illuminated Bollards	858	
Illuminated Signs	2283	
Non-illuminated Signs	17,455	
Park and Ride sites	1	
Pedestrian Guardrail	10,760m	
School Crossing Flashing Lights	13	
White and Yellow Lining	-	No data
Sundry Assets		
Boundary Fencing	-	No data
Electronic vehicle charging points	2	
Grit bins	636	
Street Furniture, bicycle racks etc.	-	No data
Trees	-	Incomplete data
Verge – urban and rural	826656 m ²	Incomplete data
Visibility Fencing	-	No data

Key

-  High confidence
-  Medium confidence
-  Low confidence

Appendix C

Telford & Wrekin Highway Network Hierarchy



Appendix D

Lifecycle Planning and Deterioration Modelling

1. The lifecycle planning and deterioration modelling process will assess a range of alternative treatment strategies in order to determine the most cost effective way of maintaining the asset. The outcome of the lifecycle planning process is an investment strategy for the highway infrastructure asset that comprises an asset group and its components, that is affordable and delivers the required performance at the minimum cost.
2. Deterioration modelling can be used to examine a range of scenarios to consider the impact of different budgets and maintenance strategies. It identifies the most appropriate time to intervene with a maintenance treatment within the constraints specified. The model then selects the best strategy, or combination of treatments, to maximise network condition for the available funding across the entire analysis timeframe. In effect, the model generates a mini lifecycle plan for each road section, selecting treatments to suit its needs. It then rolls this up to a network-wide programme by selecting those treatments that offer the best value if all work cannot be afforded. The model does not just select preventative treatments, but has at its disposal a full range of options from surface dressing through to reconstruction and suggests the one that gives the greatest benefits.
3. In developing the Council's investment strategy, the following issues will be considered:
 - i. What is the level of performance required to maintain steady state condition and what is the budget required? – Lifecycle plans may be used to demonstrate the investment required to maintain the asset at its current level of performance;
 - ii. What is the level of performance that can be achieved with a fixed budget? Where an authority has fixed funding, lifecycle planning may be used to determine the performance of the asset for the funding allocated. It can also demonstrate the effect of reduced funding on the performance of assets over the short, medium and long term;
 - iii. What is the budget requirement to deliver the performance required? – Authorities can use lifecycle planning to determine the future budget required to meet the specified performance targets;
4. The lifecycle plan will be prepared for a period of at least 10 years. The principal uses of deterioration models is to predict how asset condition are likely to change over time and, in conjunction with treatment options, to allow practitioners to determine the most cost-effective timing of treatments.

Appendix E

Network Performance and Levels of Service

1. Measuring network performance provides a systematic approach to assessing the effectiveness of asset management strategies and plans. The setting of targets is an appropriate procedure against which the effectiveness of alternative lifecycle planning investment strategies can be monitored and judged. Targets also provide a useful and easy to understand mechanism for engaging with stakeholders and the public and are a vital element in any Communication Strategy. It is important to demonstrate that available financial resources for improving the condition of the asset are being invested wisely and are achieving the desired results in a manner that provides good value for money.
2. The level of service provided to the road user is a key concept concerning acceptable levels of network performance. Different levels of service may be acceptable on differing parts of the network. For instance, on key routes of national importance, such as motorways, a higher level of service is generally expected whereas on roads lower down the road hierarchy a lower level of service may be more appropriate.
3. Appropriate levels of service will be developed for different types of road and user through working closely with stakeholders. Factors to be taking into account when setting levels of service can be varied but examples would include safety, ride comfort; delay to the user, customer satisfaction, journey time reliability, accessibility to key services, environmental sustainability etc.
4. Future changes in travel demand, arising from increased car ownership, HGV movement etc., needs to be taken into account when setting performance targets and this is where the link to the LTP and Local Plan is crucial. Not only will the overall increase in future travel demand need to be taken into account but also the spatial distribution. Future demand can vary significantly between different areas of the Borough as well as between different roads. The Telford Strategic Transport Model (TSTM) will be important in assessing this aspect of future demand.
5. It is generally accepted that as traffic demand increases, levels of service, in terms of user delay, journey time reliability and accessibility to key services will fall unless the condition of the asset is maintained and improved.
6. Levels of service are normally expressed in qualitative terms that are easily understood by stakeholders and the general public. Performance measures are more specific and quantified. Performance measures are used to measure progress against performance targets. Targets are time related and need to be realistic. When developing them, consideration will be given to current and past performance and what is achievable in the target time period given available resources.
7. We will also develop a Performance Management Framework that will consider a range of levels of service, performance measures and targets.

Appendix F

Winter Service Routes



Appendix G

Highways Communication Process

NB Links to other documents are not enabled.

MAJOR WORKS	STANDARD WORKS	ACTION	NOTES	Templates and Guidance
During Design Site Survey		'Before' photos	For use on the web page	
In advance of delivery	n/a	Consider the need for a publicity scheme and public engagement	This should be fed into the regular 'Highways Roadworks' liaison meeting with the Corporate Communications Team.	
6 weeks	n/a	Advance information to stakeholders (Major schemes only)	Area Working Group (AW) email address to be used	Advance warning email
6 weeks		Publish 'Planned' web page under 'Roadworks'	Content to be based on Example 1 of the guidance and approved by client or Asset Management and Transport Strategy Group Manager	Standard website guidance
11 working days		Detailed information to stakeholders	AW email address to be used. Letter to stakeholders to be attached.	Detailed AW Guidance
11 w. days	N/A	Ensure press release is produced	Forward the detailed information email to Corporate Communications	

MAJOR WORKS	STANDARD WORKS	ACTION	NOTES	Templates and Guidance
10 working days		Publish 'Final' web page under 'Roadworks'	Content to be based on example 2 of the guidance and approved by client or Asset Management and Transport Strategy Group Manager	Standard website guidance
10 working days		Letter drop to properties that front onto works (must be delivered <u>after</u> the information to stakeholders)	<ul style="list-style-type: none"> • Use standard letter –printed back to back with Contractor's letter • Include friendly URL if using (see web info) otherwise use Telford.gov.uk/roadworks <p>Client or Project Manager to approve TWC letter</p> <p>Project Manager or client to approve Contractor letter</p>	TWC letter TWS Letter template 16/17 Contractor letter guidance
10 working days		Advance warning signs on site (must go out after the letter drop to residents to reduce customer contact)	Using standard design (Cooperative Council Logo and Pride branding)	Small (Poster) Boards Template Large Scheme Boards Template
Immediately prior to commencement		Sub-Contractor letter to residents (if required)	<p>Specialist sub-contractors will deliver their own letters/cards relating to their work.</p> <p>The project manager must approve these before delivery.</p>	

MAJOR WORKS	STANDARD WORKS	ACTION	NOTES	Templates and Guidance
During works		'during' photos	For use on the web site	
During works		Weekly Progress Updates	Where there are changes ensure that the web page is updated	Weekly update template
Once work is complete		'After' photos	For use on the web site	
Once work is complete		Advise of completion	Ensure the web page is updated/removed.	

Key

Work-Types

Major works

Projects requiring a closure and / or those lasting over 10 days. Also includes programmes of work such as surface dressing.

Standard works

Projects lasting between 4 and 10 working days.

Appendix H

Documents identified for inclusion in the Asset Management Framework

- Transport Asset Management Plan
- Individual asset management strategies (more detailed than TAMP)
 - Structures
 - Lighting
 - Lifecycle planning and scheme selection process for carriageways and footways
 - Drainage
 - Traffic Management
 - Intelligent transport systems
 - Vehicle Restraint Systems
- Skidding Prevention Strategy
- Maintainability Audit process
- Winter Service Strategy
- Highway Maintenance Policy
- Risk based inspection policy and manual

Appendix I

Action Plan

Ref	Category	Action	Deadline	Barriers and Risks
GA1	Gap Analysis	Document existing network inventory records and information on existing maintenance regimes and construction processes.	Ongoing	Incomplete or missing data from previous schemes
GA2		Analyse above to determine historic impact of maintenance treatments and materials used on asset condition and identify gaps in knowledge	Ongoing	As above
NI1	Network Inventory Survey	Carry out automated GIS survey of whole network and establish GIS data inventory	Completed in 2013.	-
NI2		Extract other assets from the automated survey onto Horizons as required	Ongoing	Cost of extraction
CS1	Condition Survey	Carry out automated survey of surface condition of all major roads	Carried out annually	-
CS2		Carry out detailed visual inspection of all minor roads and important footways	Carried out annually	-
CS3		Carry out coarse visual inspection of minor footways and cycleways.	Carried out annually	-
AM1	Asset Management Policy, Strategy and Plans	Develop Asset Management Policy & Strategy and Consult prior to corporate sign-off.	October 2016	-
AM2		Undertake deterioration modelling and lifecycle planning over period 2017-2026	Completed	-
AM3	Asset Management Policy, Strategy and Plans	Assess alternative maintenance strategies by road type and time	Completed	Budget constraints
AM4		Develop Preferred Asset Management approach	Completed	-
AM5		Confirm annual funding requirement by road type over period 2017-2021	February 2017	Budget constraints
AM6		Consolidate above into Highways Asset Management Plan, incorporating plans for network resilience and risk management	February 2017	Missing or inaccurate data

Ref	Category	Action	Deadline	Barriers and Risks
WP1	Develop Works Programme	Develop 5-year capital programme for carriageways based on agreed budgets	October 2017	-
WP2		Develop short term works programme for period 2017-2019	February 2017	-
RS1		Establish Data Management Strategy – Accreditation, Testing, Training	December 2016	-
RS2		Establish Financial Systems and Works Ordering Processes Accreditation, Testing, Training	April 2017	-
RS3		Link above into other existing records (e.g. Streetwork Management systems, work scheduling, customer complaints, safety inspection and other corporate GIS systems etc.).	April 2017	Availability of data
MO1	Monitoring	Undertake annual monitoring	Annual	-
MO2		Prepare Annual Review of TAMP including refinement of deterioration modelling assumptions	Annual	-
MO3		Assess progress on implementing HMEP Drainage Asset Guidance	October 2017	-
OP1	Other Policies	Establish Communication Strategy	Completed. Review annually.	-
OP2		Develop risk based inspection policy and inspection manual based on the new approach.	Dependent upon release of new guidance	Delayed publication of guidance
OP3		Develop Skidding Strategy	October 2016	-
OP4		Develop asset management strategies by asset type.	Ongoing	Competing priorities
DA1	Data	Develop performance measures and internal/external dashboards	June 2017	ICT capacity
DA2		Review and align revenue and capital budgets	Initial exercise carried out. Complete by April 2017	-
DA3		Review trend data in relation to <ul style="list-style-type: none"> • Network condition • Defects • 3rd Party Claims 	September 2017	-

Ref	Category	Action	Deadline	Barriers and Risks
DA4		Take part in benchmarking groups and studies <ul style="list-style-type: none"> • Midlands Service Improvement Group (MSIG) • CQC Efficiency Network (Customers/Quality/Cost) • National Highways & Transport Survey • APSE Performance Networks (Association for Public Service Excellence) 		-
DA5		Develop existing Public Rights of Way GIS information to improve accuracy	September 2017	Resource availability
		Develop footway hierarchy and future footways programme	September 2017	
ST1	Stakeholders	Develop a strategy for the use of customer data to improve performance and reduce demand		Resource availability
ST2	Stakeholders	Identify and implement a system for measuring customer satisfaction with contractor performance on scheme delivery.		Resources
ST3		Complete a stakeholder mapping exercise and establish communication and consultation methods. Use the results to improve engagement.		-
ST4		Establish Communication Strategy	Completed. Review annually	-
FI1	Finance	Submit highways asset report for Whole Government Accounting (WGA)	Annual – September	Data quality and availability
FI2		Establish detailed, costed works plan for following financial year	February 2017	Timing of funding decisions may delay implementation
FI3		Annual asset management report as part of the Council's budget setting process.	February 2017	-
AR1	Asset Management Responsibility	Establish governance processes involving members and senior officers	Completed	Missing or inaccurate data
AR2		Those responsible for asset management to be competent and well trained	Ongoing	Funding

Specific Actions Linked to Incentive Funding for Asset Management

Over the last 6 months we have worked to ensure that we are in a position to assess ourselves as a Band 2 authority once the Asset Management Policy & Strategy has been formally accepted by Cabinet. The Action Plan shown below identifies how we will obtain Band 2 when we self-assess in November 2016. The plan will be further developed to ensure that we reach Band 3 for the 2017 assessment.

REF	Category	Incentive Funding Question	Action Required	Asset Management Action Plan Reference	Target Level for October 2017 and confidence of success
IF1	Asset Management	Does your local authority have an asset management policy and strategy for its highway infrastructure? Compulsory	Asset management policy and strategy signed off at cabinet level and uploaded onto website.	AM1	2
IF2	Asset Management	Has your local authority communicated its approach to highway infrastructure asset management? Compulsory	Key stakeholders identified and communication strategy developed	ST4	3
IF3	Asset Management	Does your local authority have a performance management framework and maintenance regime that supports its highway infrastructure AM strategy and continuous improvement?	Performance dashboard developed	DA1	2
IF4	Asset Management	Does your local authority have an effective regime to manage its highway infrastructure asset data?	Data collection undertaken and processes in place to manage data.	GA1 NI1 and 2 CS1, 2 and 3	3
IF5	Asset Management	Is your local authority undertaking lifecycle planning as part of its highway infrastructure asset management?	Lifecycle planning exercise completed and documented	AM 2, 3, 4 and 5 WP1	3
IF6	Asset	Is your authority able to demonstrate	Policy, strategy and	AM1	3

REF	Category	Incentive Funding Question	Action Required	Asset Management Action Plan Reference	Target Level for October 2017 and confidence of success
	Management	leadership and commitment from senior decision makers in taking forward its highway infrastructure asset management approach? Compulsory	programme of works endorsed by cabinet	AR1	
IF7	Asset Management	Has your local authority identified the appropriate competencies required for highway infrastructure asset management and what training may be required?	Basic AM training completed by all asset managers and staff development action plans created through 121 discussions	AR2	2
IF8	Asset Management	Does your local authority have a comprehensive approach to managing current and future risks associated with the highway infrastructure assets?	Process for the communication and management of risk developed and kept up to date	AM6	2
IF9	Resilience	Has your local authority established a resilient network as recommended by the 2014 Transport Resilience Review?	Initial development of resilient network	AM6	2
IF10	Resilience	Has your local authority implemented the relevant recommendations of the 2012 HMEP Potholes Review - Prevention and a Better Cure?	HMEP pothole review implemented	completed	3
IF11	Resilience	Has your local authority implemented the relevant recommendations of the 2012 HMEP Guidance on the Management of Highway Drainage Assets?	Review of performance against HMEP Guidance	MO3	2
IF12	Customer	Does your local authority undertake	Participation in NHT	DA4	2

REF	Category	Incentive Funding Question	Action Required	Asset Management Action Plan Reference	Target Level for October 2017 and confidence of success
		customer satisfaction surveys into the condition of its highway network and if so how does it use this information to help drive service improvement?	& CQC Surveys		
IF13	Customer	Does your local authority have a mechanism in place to gather customer feedback on its highway maintenance service and if so how does it use this information?	Annual customer feedback process introduced	DA4 ST2	2
IF14	Customer	How does your local authority ensure that customers are kept informed about their highway maintenance service?	Communication Strategy Developed and implemented	ST4	3
IF15	Benchmarking	Does your local authority undertake benchmarking to drive improvement in its highway maintenance service?	Participate in benchmarking activity	DA4	2
IF16	Benchmarking	Does your local authority have a process in place to measure the ongoing cashable and non-cashable efficiencies that are being delivered in the highway maintenance service?	Measure and report efficiency using CQC methodology	DA4	2
IF17	Operational Service Delivery	Does your local authority have a mechanism in place to undertake a periodic review of its operational service delivery arrangements for the highway maintenance service?	Review of current highways contract and update of conditions	(Completed at level 2)	2
IF18	Operational	Is your authority working in	Mechanisms in place	-	2

REF	Category	Incentive Funding Question	Action Required	Asset Management Action Plan Reference	Target Level for October 2017 and confidence of success
	Service Delivery	collaboration with your operational service provider and their supply chain in delivering the highway maintenance service or any component of it?	to improve relations with key highway maintenance suppliers		
IF19	Operational Service Delivery	Has your local authority undertaken a Lean or equivalent transformational change management review of its highway maintenance service or any aspect of it?	Complete a LEAN review of highways services	(completed at level 2)	3
IF20	Operational Service Delivery	Has your local authority produced a long term forward programme of capital maintenance works for all its highway infrastructure assets?	Produce a 5-year programme of capital maintenance works	WP1	2
IF21	Operational Service Delivery	Is your local authority or your operational service provider working in collaboration in delivering the highway maintenance service or any component of it	Provide evidence of current partnership/collaboration activity	(information collated)	3
IF22	Operational Service Delivery	Is your local authority adopting a good practice approach in the way it procures external highway maintenance services?	Use of HMEP and NEC 3 forms of contract	(information collated)	2

Appendix 2

Vision, Aim and Policies

Telford and Wrekin Highways Vision

We will keep Telford moving by

- Delivering a safe, efficient and sustainable highway to meet the needs of communities and businesses, providing access to jobs and services, supporting health and wellbeing and catering for future growth
- Maximising and managing investment into the highway network to support the local economy, investing in new technologies and our workforce to promote innovation and creativity

Consultation, collaboration and community engagement will be the key to our success

Overarching Aim: Keeping Telford Moving

We will provide a safe, well managed, maintained and resilient transport network for all who use it. We will make every effort to understand the current and future demands on the transport infrastructure and our stakeholders' needs.

Policy Objective 1: Commitment to Asset Management

We will adopt and promote the principles of asset management to give a strategic approach to managing the highway network. This will provide clarity and confidence to decision makers in relation to current and future planned maintenance.

Policy Objective 2: Data Collection and Asset Inventory

We are committed to a robust data collection and management programme for all assets. This will provide the information required to enable lifecycle planning to be undertaken and for levels of service to be fully developed.

Policy Objective 3: Lifecycle Planning

We will establish lifecycle planning, based on the current condition of each of the main asset groups. This will provide a robust understanding of how deterioration rates and future funding levels will impact on the long term condition of these assets. The lifecycle planning process will provide a solid foundation and evidence base for smart decision making and enable Levels of Service to be set with confidence.

Policy Objective 4: Levels of Service

We will define and apply Levels of Service for each asset group. These will determine the condition at which each of the asset groups will be maintained
Stakeholders will be consulted before Levels of Service are applied.

Policy Objective 5: Scheme Selection

We recognise that the process for identifying planned maintenance works varies for each of the main asset groups and we will make planned maintenance decisions based on asset data, lifecycle planning and the agreed Levels of Service for each asset type.

Policy Objective 6: Maintainability

To ensure that our highway improvement schemes are truly maintainable, asset managers will carry out a maintainability audit for any schemes that affect the assets they manage. Consideration will also be given to the development of a core pallet of trusted materials for highway works.

Policy Objective 7: Performance Monitoring

Performance monitoring will be applied to our asset management policies, practices and processes and we will use all available data to ensure continual improvement in all aspects of asset management.

Policy Objective 8: Emergency Works and Network Resilience

We will further develop a resilient network that is able to cope with a range of highly disruptive events. The resilient network will be maintained to the required Level of Service to maintain access to the essential areas of the Borough should such an event occur.

Policy Objective 9: Winter Service

We will ensure so far as is reasonable practicable, that safe passage along the key highway network will not be endangered by snow or ice.

Policy Objective 10: Stakeholder Communication

We will ensure that key stakeholders and members of the public have easily accessible and direct channels of communication to report issues, provide input into the management of the highway asset, and be kept informed about highway maintenance works and key decisions.

Policy Objective 11: Asset Management Framework

A suite of asset management policy and process documents will be developed. These documents will form the framework for asset management in Telford and Wrekin

Policy Objective 12: Strategy Review

We will review the Asset Management Policy and Strategy and supporting documents on an annual basis. This review will include consultation with key stakeholders if major changes are proposed.