



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Date Thursday, 12 January 2017

Time 6pm

Venue Meeting Room G3-G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Enquiries Regarding this Agenda:

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Committee Membership: Councillors S Bentley, S P Burrell, A J Burford, N A Dugmore,
S A W Reynolds (Chair), R J Sloan, C F Smith and D G Wright
Co-optees: Mrs C Mason-Morris and Mr R Williams

AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes** **Appendix A**
To confirm the minutes of the meeting of the Finance & Enterprise Scrutiny Committee held on 10 November 2016
- 4. Service & Financial Planning Strategy 2017/18 – 2018/19 (Draft Budget Proposals)** **Appendix B TO FOLLOW**
 - To consider the draft budget proposals agreed by Cabinet on 5 January 2017; and
 - To agree items for further scrutiny.

The Cabinet Member for Council Finance, Partnerships & Commercial Services and the Chief Financial Officer will be in attendance.
- 5. Work Programme and Chair's Update** **Appendix C**
To discuss other items in the work programme

FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Thursday, 10 November 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PRESENT: Councillors S Bentley, A Burford, N Dugmore, S A W Reynolds (Chair), R Sloan, C Smith, D Wright and Co-optees C Mason-Morris and R Williams.

ALSO PRESENT: Members of the Customer, Community & Partnership Scrutiny Committee - Councillors N England (Chair), L Murray, S J Reynolds, P Scott, J Seymour, B Tillotson and Co-optees P Doherty and D Johnson.

IN ATTENDANCE: Cllr A McClements, Cabinet Member for Transport, Customer & Neighbourhood Services; J Rowe, Director Customer, Neighbourhood & Wellbeing Services; A Astley, Assistant Director Customer & Neighbourhood Services; D Proud, Transport & Highways Development Service Delivery Manager; S Jones, Scrutiny Officer.

FESC-01 MINUTES

RESOLVED – that the minutes of the meetings of the Finance & Enterprise Scrutiny Committee held on 3 February 2016 be confirmed and signed by the Chairman.

FESC-02 APOLOGIES FOR ABSENCE

Cllr J Ashford (Customer, Community & Partnership Scrutiny Committee)

FESC-03 DECLARATIONS OF INTEREST

None

FESC-04 CIVIL PARKING ENFORCEMENT

The Chair welcomed everyone to the meeting including Cllr Burford as a new Member of the Committee, and invited those present to introduce themselves.

The Chair made opening remarks, that Civil Parking Enforcement (CPE) had been put forward as a suggestion for scrutiny earlier in the year and allocated by Scrutiny Management Board to the Finance & Enterprise Scrutiny Committee to lead in conjunction with the Customer, Community & Partnership Scrutiny Committee. She reminded Members that a motion to Full Council in July calling on the Council to commit resources to developing a business case with a view to making an application for a Civil Parking Enforcement Order had been referred directly to scrutiny. She further noted that a letter from Lucy Allan MP to the Assistant Director regarding CPE had been circulated to the Committee and that a submission on CPE had been received from Cllrs N Lowery and E Carter which would be considered during the review at the appropriate time.

The Chair invited the Cabinet Member to set out her position on CPE. Cllr McClements replied that she was open-minded and would value scrutiny looking at the issues and putting forward a view. Issues with parking had led her to task officers to look at the issues even before the motion had been put to Council. She acknowledged that many local authorities had introduced CPE but the decision had to be right for the borough. It was important to listen to the views of partners such as the police and Town and Parish Councils in market towns and rural areas, and to consider different delivery models so the decision was right for the borough.

The Assistant Director then gave a presentation providing the following information:

What is Civil Parking Enforcement (CPE)?

- CPE is the transfer of parking enforcement from a criminal to a civil matter, also known as 'decriminalisation'.
- CPE only relates to on-street parking and is only enforceable through the installation of double yellow lines, parking bays, disabled bays etc.
- Under the Traffic Management Act, local authorities can apply to take on CPE powers. The process usually takes up to 18 months from the development of a business case to implementation.
- Once CPE powers are adopted, the local authority can issue Penalty Charge Notices (PCNs) (parking fines). Income from fines is used to fund the scheme including staff costs, ICT and ticketing equipment etc. Any surplus generated must be reinvested into the local community to improve local transport.
- Taking on CPE powers locally would not be linked to the introduction of parking charges in off-street car parks.
- Enforcement on off-street Council-owned car parks is already undertaken by the Council.

Types of restrictions

- The main types of restriction that authorities with CPE powers become responsible for were:
 - Prohibition of waiting (double yellow lines)
 - Restricted waiting (single yellow lines)
 - Prohibition of loading (kerb tabs)
 - Restricted loading
 - Limited waiting
 - Disabled parking bays supported by an order
 - No Stopping, particularly school Keep Clear markingsMarkings would need to be in place in order to carry out enforcement.
- Taking on CPE powers would open up potential to implement other types of non-standard restrictions – resident parking schemes, controlled / restricted parking zones or footway parking – which would require further work and legal orders.

The current situation

- West Mercia Police had withdrawn its Traffic Warden service in 2009 and 'regular' on-street enforcement had ceased.
- Since then, the Police had carried out sporadic enforcement until a pilot in 2014 when Wellington and Newport Town Councils entered an agreement with the Police to part-fund two Police Community Support Officers (PCSOs) to enforce in

those areas. The PCSOs were employed and managed by the Police and often issued verbal and written warnings during the trial to educate motorists with PCNs being issued as a last resort.

- Following the success of the trial, negotiations were underway between the Police and Town and Parish Councils to fund PSCOs for their area. Dawley, Madeley, Newport, Oakengates and Wellington had confirmed their commitment and pilots were coming on stream through a partnership approach.

Possible CPE delivery models

CPE could be delivered in a variety of ways. Potential models included:

- Option 1 - The Council takes full responsibility for CPE and employs a dedicated parking enforcement team
- Option 2 - The Council takes full responsibility for CPE and delivers the service through a multi-disciplinary enforcement team who undertake other types of enforcement e.g. dog fouling, littering
- Option 3 - The Council takes CPE powers but delegates enforcement to Town and Parish Councils through their PCSOs with the Council offering back-office systems such as ticketing or debt collection.

Potential costs of taking on CPE

Example costs were presented for option 1 (i.e. the Council employs dedicated enforcement officers). Costs had been modelled on the following assumptions:

- A team of four Civil Enforcement Officers (CEOs) including vehicles, uniforms, ICT equipment and training
- Using the Council's existing external ICT system (used for off-street parking enforcement) to process PCNs
- Assumption that CEOs would issue an average of 0.8 tickets per hour (current average on off-street car parks was 0.6 per hour)

Using these assumptions, example costs had been modelled as:

CPE Outline Financial Performance – Years 1-3			
	Year 1	Year 2	Year 3
Total cost	164,572.60	131,865.01	134,739.88
Potential recovery	143,611.65	151,351.20	151,351.20
Balance (with 70% bias on estimated income)*	-£64,044.45	-£25,949.17	-£28,794.04

* i.e. assumes a collection rate of 70%

Factors affecting income included:

- The delivery model
- The ability to attract other funding sources and partnership arrangements to share the costs of implementation
- The rate of tickets issued
- Plateau of enforcement affecting future income i.e. as motorists learn they will be penalised for contravening parking restrictions

Things to consider when applying for CPE powers

- For CPE to be introduced, an Order has to be made by the Department for Transport (DfT) designating the area as a Civil Enforcement Area (CEA).
- In a Unitary authority area such as Telford and Wrekin, the Designation Order must include all on-street parking, and off-street parking activities controlled by the Council.
- There were three main elements for a successful application which would require a significant amount of work:
 - A robust financial appraisal and business case
 - A robust communication and consultation process
 - A robust definition of the proposed scope and activities that the designation order would cover.
- The process was likely to take 18 months from business case to implementation.
- If the Council took on CPE, the powers could be devolved to Town and Parish Councils. Town and Parish Councils cannot apply to DfT for the powers directly; designation to Town and Parish Councils can only come through full designation to the Council.

Suggested next steps for scrutiny to consider

A number of areas were suggested of further work that scrutiny may wish to carry out:

- Data from the police on the number of tickets issued, enforcement time and costs
- Complaints /comments to the Council and police about parking enforcement
- Work with other authorities to explore alternative models and lessons learnt
- Work with partners to determine the appetite for partnership working and co-funding should the Council decide to apply for CPE powers
- Consider officer costs in terms of developing the business case through to operational delivery
- Cost of external support for preparing a business case

At the end of the presentation the Chair invited questions from members.

- *How much would a full business case cost to develop?*
A certain level of information gathering could be carried out within existing resources – e.g. data from partners or internal data - but the level of investment that would be required for a full business case had not been costed in detail and would need to come back to the committee.
- *What coverage could be provided by four enforcement officers and would it be sufficient to cover the whole borough?*
A team of four officers would equate to three officers operating 6½-7 hours per day, 7 days a week. The assumption of 0.8 tickets per hour had been built into the model but the number issued would depend on how the officers were allocated across the borough and targeted to problem areas. Distribution of resources would be looked at as part of any further work.
- *Would CPE confer any additional powers which could be used to address issues of pressure from student parking?*
If CPE powers were designated to the Council there would be the potential to apply for additional orders for resident parking schemes such as parking bays,

resident parking permit schemes, yellow lines etc.. Resident parking restrictions were not part of the standard restrictions that Councils with CPE powers were required to enforce and would require a further process.

- *If powers were devolved to Town and Parish Councils, could they then decide how many enforcement officers to employ?*

Yes, back-office functions could be centralised and managed by Telford & Wrekin Council but the Town and Parish Councils could decide how many enforcement officers they wanted to employ and manage. Four officers had been used as an example in the presentation to give a flavour of the costs but the number could vary. Some authorities where CPE had been introduced had developed the business case focused on income generation and driven by income targets. This had resulted in negative press reports leading some authorities to scale back their enforcement staff. The lesson from other areas seemed to be that it was better to start small and grow rather than the other way round.

- *A lot of work was done on yellow lines some years ago with a view to introducing CPE. Why did this not proceed when so much ground work had been done?*

Work had been done on yellow lines as part of an exercise with the Police to update traffic orders but from the officers' point of view had not been linked to CPE at that time and officers had not been charged with looking at employing traffic wardens.

- *If the Council decided to apply for CPE powers what further work would be involved in putting Traffic Regulation Orders / yellow lines in place to enable enforcement?*

There would not be a significant amount of additional work required but yellow lines and TROs would be updated in advance of applying for CPE. The Council would work with individual Town and Parish Councils to look at the issues in their area and how CPE could be used to tackle the issues.

- *Local authorities are required to have a Parking Policy as a prerequisite for CPE. Does Telford & Wrekin have one?*

The Council does not currently have a parking policy as there are only two Council owned car parks but a policy would need to be developed for a CPE application.

- *Can you confirm the amount of penalty charges used to model the income?*

Modelling was based on a £60 lower penalty and £80 higher penalty. Further details could be provided.

- *In response to various questions about the application process –*

- There was provision under the Traffic Management Act for local authorities to adopt CPE and there was a legal process to go through. Authorities were required to submit an application and business case to the Department for Transport (DfT) for approval. DfT had relaxed the requirements for the financial business case slightly and the emphasis had shifted towards achieving compliance rather than generating revenue but a fully scoped and costed business case was still required.
- Applications could be submitted in April or October.

- DfT would not accept applications based on speculative interest from Town and Parish Councils – the business case must detail the delivery model that would operate from Day 1 although the model could change over time
 - Once an authority had taken on CPE powers, responsibility could not be handed back.
 - Once powers were handed over, the local authority did not have to implement CPE but the police would cease to enforce and not enforcing would reflect badly on the authority.
- *On-pavement parking is an issue – how would CPE address this from Day 1?*
Once CPE powers were granted, the Council could apply for Traffic Regulation Orders to restrict pavement parking in certain areas.
 - *Have you contacted other authorities – including other new towns such as Crawley or Milton Keynes - to look at their experience of CPE?*
We have contacts in other authorities and have spoken to Shropshire in the past but in terms of other authorities would need to gather data to feed into the review.
 - *Why has the rate of ticketing been estimated on ticketing in car parks which may bear no relation to ticketing on streets?*
The rate of 0.8 tickets per hour was based on figures from other authorities – some were higher, some lower – as well as the ticketing rate on the Council's car parks.
 - *If powers were devolved to Town and Parish Councils would they keep income from fines?*
Depending on the model Town and Parish Councils would retain the income but it would also need to fund any back-office functions provided by the Council.
 - *Could the Council apply for residential orders without taking on CPE powers?*
No, the Council would need to take on CPE powers to have the option of introducing non-standard restrictions.
 - *Would free parking continue if the Council took on CPE?*
The Cabinet Member assured Members of the Council's continued commitment to free parking.
 - *Would the cost of CPE jeopardise Traffic Regulation Orders?*
No, CPE could be implemented and the powers would pass from the Police to the authority.
 - *If CPE was devolved to Town and Parish Councils, could the Town and Parish Council subsequently decide to hand back responsibility to the Council?*
Ultimately the CPE power is held by the Council and this could be one of the risks. Agreements with Town and Parish Councils would need to take this risk into account.
 - *What would be the cost of other Traffic Regulation Orders or other types of legal orders which would be required to introduce restrictions?*

There is a cost to TROs which can be used to restrict pavement parking. Resident parking permit schemes would require other orders and would have a cost.

- *How big an area can a TRO cover?*
TROs can only be used for specific roads but authority or area-wide prohibitions are provided for under other legislation.
- *Can enforcement be carried out on foreign registered cars?*
This would be checked and information provided back to the committee.
- *Has the cost of collection and unpaid fines been built into the cost modelling?*
The costs had been factored in but there were a number of ways that costs could be shared depending on Town and Parish Councils.
- *What is the timeframe for the parish PCSO pilots and when could they be evaluated?*
The pilots were in an advanced stage of negotiation and would probably start between December 2016 and April 2017 so there would be no substantive data to evaluate for 6 months.
- It was confirmed that it was not legal to pay enforcement officers on an incentive basis.

Members made a number of requests for further information and comments during the discussion:

- The Chair would like to see the costs for developing a full business case.
- There were various concerns about the capacity of four officers to enforce across the borough, especially given the number of schools, and how resources would be allocated to target hotspots. A Member requested costs to be modelled for 5-6 enforcement officers – it was suggested there could be a cost reduction from sharing vehicles.
- A Member requested a breakdown of one-off initial costs for implementing CPE such as updating lines, signs and TROs
- Areas for gathering further information were identified as:
 - Data from the Police for the last 2 years on the number and location of complaints, warnings and tickets issued, the number of unpaid fines and cost of collection. It was noted the data may be limited due to the lack of regular enforcement.
 - Information from Town and Parish Councils on complaints and hotspots in their area, and the appetite to invest financially
 - Feedback from the parish PCSO pilots over the next 12 months
 - Views of authorities which have or have not implemented CPE (Milton Keynes and Crawley were suggested)
 - Internal data on complaints or from Ward members

- A member made the point that it was not just a case of identifying where the issues were but to establish whether they would be addressed by CPE. There were financial risks to the Council and CPE should not be taken on unless there was a real benefit to estates and wards. Parking was an issue on some estates but it was unclear whether CPE would be the solution and could potentially exacerbate problems for the local residents. Work would need to be done to look at how CPE would impact on the issues and whether it would work.
- A co-optee commented on the parish funded PCSO trials and why the Council would take on the risk of enforcement outside those areas.
- A member questioned whether the cost of CPE would be significant as it would not require the Council to set up a huge new department, and why most other authorities had introduced CPE if it was so expensive. If Town and Parish Councils chose to fund enforcement in their area the cost to the Council would be smaller or cost neutral. He did not see the need for patrolling estates and felt that the cost of updating yellow lines would not be significant as that happened anyway. He noted that costs had only been modelled for Option 1 which was the most expensive option and he would like to see costs modelled for Options 2 and 3. The Assistant Director explained that the cost of other options depended on a commitment from Town and Parish Councils which had not been assumed but costs could be modelled once Town and Parish Councils had been consulted.
- There was a question as to whether the 70% income bias had factored in the rate of fines cancelled on appeal.
- It was suggested that resident parking permit schemes should take account of provision for visitors.
- A member raised a concern about parishes with small precepts where there may be a problem hotspot but they could not afford to take on devolved power. She also highlighted issues with parking around the Wrekin which could potentially block access for emergency vehicles. She also remarked that to address problems with parking on pavements there needed to be alternative places to park. Another member agreed that the issue in market towns was the shortage of car parks. Officers responded that the issue with increasing car parks was the availability of land and the cost of build. A co-optee questioned whether this presented an opportunity for the Council to generate income from car parks.
- A member commented that it was accepted that there were parking problems in the borough but it was necessary to determine where the issues were and how they could be tackled. There had been good work in preparing the costs to the Council but the cost to Town and Parish Councils would also need to be established. Regarding issues in the Gorge and around the Wrekin, it would need to be decided whether the Parishes could take on enforcement in these areas or if they should be enforced by the Council as they were tourist attractions used by visitors from all over the borough. He suggested that parking provision should be considered as part of the planning process and Members should set out their expectations to planning officers. He would also like to hear from Cllrs

Lowery and Carter and to have sight of their report. The Chair assured him that the report would be provided to the committee and considered at the appropriate time with other evidence.

- A member noted that a lot of the discussion had been about parking issues in market towns but there were also issues in residential areas.
- A member referred to concerns raised in the past by retailers in Wellington that restrictions could deter people from popping into the shops. He also highlighted problems on Trench Road created by non-compliance with restrictions. Another member said there had been a lot of changes in Wellington but he hoped there would be tolerances so that unloading and short stops were not penalised.
- It was suggested that the views of businesses would need to be sought.
- A member commented that Telford and Wrekin was experiencing some of the fastest growth in traffic and car ownership in the country which puts pressure on the road infrastructure. The committee would need to consider the cost of setting up CPE, the on-going cost of enforcement, growth projections and how to increase off-street parking. Milton Keynes was not a good example to look at because it was built as one new town whereas Telford and Wrekin has the town centre and the borough market towns. It would be important to look at the impact on retailers.

At the end of the discussion the Chair requested that the further information from the Police, Town and Parish Councils, the Council and other authorities be collected and brought back to the committee to consider at a future meeting.

Cllr McClements remarked that she felt there had been a useful discussion and the message that had come through was that further work was required. She added that there was a significant amount of data to gather which could not be rushed or done overnight but she remained open minded and key was to do what was right for the borough. She thanked the officers for their work in putting the presentation together.

The Chair thanked the Cabinet Member and officers and they left the meeting.

FESC-05 WORK PROGRAMME

The Chair summarised that Scrutiny Management Board in July had allocated six meetings to each Scrutiny Committee for this municipal year and recommended that the Budget & Finance Scrutiny Committee's work programme should focus on budget scrutiny and the CPE review. She confirmed the dates circulated for the budget scrutiny meetings of 4, 12, 18 and 24 or 25 January and 1 February which should be in Members' diaries. Cllr Eade had confirmed the main opposition group would be putting forward alternative budget proposals which would be built into the schedule. She welcomed comments from members.

There was a discussion about the timetable for a report back on CPE and there was a question as to whether five meetings were too many for the budget scrutiny and it

was suggested that the final meeting on 1 February to agree responses to the budget proposals could also potentially include an item on CPE. The Chair commented that the CPE scrutiny work would also need to be timed to take account of DFT application submission dates and Town and Parish Council budget setting.

The meeting ended at 7.45pm.

Chairman:

Date:

TELFORD & WREKIN COUNCIL

FINANCE & ENTERPRISE SCRUTINY COMMITTEE – 12 JANUARY 2017

SERVICE AND FINANCIAL PLANNING 2017/18 TO 2019/20

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

LEAD MEMBERS CLLRS S. DAVIES AND L. CARTER

TELFORD & WREKIN COUNCIL**CABINET – 5 JANUARY 2017****SERVICE AND FINANCIAL PLANNING 2017/18 TO 2019/20****REPORT OF THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER****LEAD MEMBERS CLLRS S. DAVIES AND L. CARTER****1. OVERVIEW.**

- 1.1 When the Coalition Government was formed in May 2010 they committed to eliminating the national budget deficit. This remains an objective of the current Government although the target date for achieving a balanced national budget has slipped considerably. However, the Government has also protected many areas of public spending - but not local government. Councils have therefore faced very significant reductions and this is set to continue for the duration of this Parliament so councils will continue to be hit very hard meaning that difficult choices about priorities have to be made.
- 1.2 Unlike the Government, the Council has a statutory responsibility to achieve a balanced budget each year. In order to achieve a balanced financial position this Council will have made savings of £96m pa by the end of this financial year, meaning that every year we now have £1,300 less to spend delivering services to each household in the Borough. The Council has sought to do this in ways that protect front line services as far as possible and where services to the public are affected to do this in as compassionate a way as possible. Despite the reductions that we have had to make, the Council is still a large organisation delivering many services to local people and it is essential that we use our remaining revenue and capital resources as effectively as possible to deliver the greatest possible benefit for local people.
- 1.3 The Council has consistently said that it will continue to protect the most vulnerable in our society and prioritised the protection of services to vulnerable adults and children in our community. The Council is committed to ensuring that we always meet the assessed needs of vulnerable people but this does not mean that we can continue to deliver the same services in the same ways. We have to make changes but will always place priority on these essential services and will not let financial pressures due to Government cuts mean that we fail to meet the assessed needs of the most vulnerable. To do this, we have also had to be innovative in identifying ways to generate more income to fund key front line services.

- 1.4 The Council has sought to generate income by adopting a more commercial approach whilst seeking to recognise and manage risks as far as possible. We were the second council nationally to open a solar farm and are currently investing in NuPlace a wholly owned company that will rent just under 400 good quality homes, mainly at market rents. Both of these schemes generate a profit after paying the loan used to fund the investment and other operating costs. The profit from these and other commercial projects and from our participation in the West Mercia Energy Joint Arrangement is used to help reduce the amount of cuts that we would otherwise have to make to the services that the Council provides.
- 1.5 The Council is also committed to investing in Telford's future. Ensuring that the Borough is an attractive place to live, work and visit is essential if we are to attract new businesses that will create jobs and bring prosperity to the area and the people that live here. The Council also benefits from retaining a share of any additional business rates which helps to minimise the cuts that we have to make to services. Under Government proposals the share of additional business rates growth that is retained will potentially increase to 98% before the end of the current Parliament making growth of the local business rates base even more important for the future financial viability of council services. As part of our "Business Winning, Business Supporting" Approach, the Council is investing an additional £50m in our Property Investment Portfolio which will largely be invested within the Borough in new and also existing industrial, commercial and property holdings. The net return after debt charges will be used to support front line services as will additional retained income from business rates.
- 1.6 In March 2016, the Council set a medium term budget strategy with specific detailed proposals for both 2016/17 and 2017/18. Key features of which were:-
- Given the Government's decision, after 5 years, not to provide council tax freeze grants in future a decision to increase council tax by 1.2% each year from 2016/17 through to 2019/20.
 - A decision to implement the Government's new "Adult Social Care precept" equivalent to a further 2% council tax increase each year from 2016/17 to 2019/20.
 - To implement a package of savings totalling £30m over the two year period 2016/17 – 2017/18. This package of detailed savings proposals was consulted on last year, when we received over 4,000 comments, and as a result it is not necessary to consult on these savings proposals for 2017/18 again.
 - A commitment to continue to work with partner organisations, including Town & Parish Councils and voluntary sector and community groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide. These discussions

have been very successful and the Council is committed to extending this approach further.

- Despite the unprecedented cuts in grants from Government, due to our strong financial management and our success in bidding for external funding, usually for specific capital projects e.g. to fund infrastructure rather than for revenue (or day to day running costs), the Council made a number of investments. These included:-
 - Over £50m being committed for transport and highways improvements over the medium term. These projects are funded by specific capital funding that the Council successfully bid for from the DfT, DCLG and from the Marches LEP as well as from Section 106 agreements that the Council has negotiated with developers together with some funding from the Council's own capital resources.
 - An investment of over £50m in NuPlace, the Council's wholly owned housing company with the profit being used to protect front-line services from cuts.
 - Investing over £25m in the Council's Property Investment Portfolio to improve and develop industrial, commercial or retail facilities in order to support new and existing businesses, create and protect jobs and generate increased business rates income and a profit to be used to help protect front line services from some of the impact of Government cuts. This scheme has been very successful and further funding of £30m has subsequently been approved by Council to extend the initiative further.
 - Spending just under £4m over two years to roll-out Superfast Broadband to parts of the borough where there is no superfast broadband infrastructure and broadband suppliers are unlikely to invest.
 - Following the success of our Community Pride Fund in 2014/15, which was oversubscribed, a £1m. Community Pride Fund for 2017/18 was included in the budget proposals. Again, local organisations, communities and businesses will be able to bid for this funding.
 - Identification of funding to campaign for the protection of services at the Princess Royal Hospital which is a key priority for the Council.

- 1.7 The Cabinet remain committed to this medium term financial strategy which received widespread support during the extensive consultation undertaken last year.

Key proposals for 2017/18, in line with this medium term strategy, include:-

Dealing with a reduction in our Revenue Support Grant from Government Whilst Maintaining Our Commitment to continue our existing policy of transferring grant to Town & Parish Councils in respect of Local Council Tax Support

- Managing a further reduction of 25.9% to our Revenue Support Grant from Government next year. This reduction is in line with the 4 year settlement provided in principle by the Government last year although this “offer” was then subject to approval of the Council’s “Efficiency Strategy”. Confirmation that our Efficiency Strategy has been approved by the Government and therefore confirmation of the 4 year grant settlement was received in November 2016.
- A commitment to continue to pay Local Council Tax Support grant to Town & Parish Councils in line with the agreement we made in January 2013 until the Council’s Revenue Support Grant is cut completely by the Government. For 2017/18 the amount available to allocate is £186k following the latest cut of 25.9% to our grant for next year.

Council Tax

- A Council tax increase for 2017/18 of 1.2% in line with the medium term strategy agreed last year.
- To again implement the Government’s assumed “Adult Social Care Precept” in line with the Government’s original plans, this is equivalent to a further council tax increase of 2%. (Therefore in total, that part of the council tax bill relating to this Council’s spending would increase by 3.2% next year.) Whilst council tax is a significant household bill it remains comparatively low in the Telford & Wrekin area as illustrated in the graphs at Appendices 1 and 2.
- However, in recognition of the extreme pressure facing Adult Social care budgets as part of the provisional Local Government Finance settlement the Government offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users but would mean a total increase in council tax of 4.2% for this Council’s part of the council tax bill at a time when inflation and the growth in local household incomes is much lower. **The Council has not therefore amended its plans but would like to hear the views of local people on whether they would support the Government’s proposal which locally would mean our part of the council tax bill increasing by 4.2% (equivalent to 74p per week in 2017/18 for an average property in the Borough), by 4.2% in 2018/19 (equivalent to 78p per week in for an average property) and then by 1.2% in 2019/20 (equivalent**

to 23p per week for an average property) rather than our current plan of 3.2% increases in each of the next three years(57p per week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the average property).

Savings Proposals

- To continue implementing the package of savings and efficiency measures agreed in March 2016 but with the additional savings and efficiency measures for 2017/18 set out in Appendix 3.
- To develop detailed savings proposals for 2018/19 and 2019/20 to cover the expected budget shortfall of £15 - £20m over this two year period. Our approach to further savings will be closely aligned to the Council's "Being the Change" strategy and summarised in section 6.5 of this report. Work to develop these options for future service provision will be undertaken with partners, service users and the community in line with our co-operative working principles. The approach is explained in more detail in section 6.2 of this report.

Investment in Capital Projects

An updated proposed medium term capital programme totalling over £280m is included at Appendix 4 detailing proposed capital investments. These include:-

Pride Programme-

- ❖ Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's continuing Pride Programme of environmental improvements. This is scheduled over a two year period commencing April 2019.
- ❖ £1m to fund repairs to structures such as bridges and retaining walls in 2017/18 as a further extension of the Pride Programme. Many of these structures are now very old and this will ensure that they remain safe.
- ❖ £1m to fund investment in small scale Pride projects particularly local regeneration projects, over the years 2017/18 and 2018/19. A report detailing how this will be allocated will be brought forward to a future Cabinet meeting.
- ❖ The capital programme for 2017/18 already included £1m for Pride in Your Community Projects. It is now proposed to double this funding so that £2m is available. £1m will be for capital projects and £1m will be available to support revenue projects. The intention is that this funding can be used to make a real difference to local people and solve "small" local issues that cause frustration to our residents. Details of how this funding will be allocated will be brought forward to a future Cabinet meeting.

Other

- ❖ Funding for further investment in NuPlace, the Council's wholly owned housing company of £13.4m. A report detailing the proposed use of this allocation will be brought to Cabinet in the near future.
- ❖ A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council's ICT network is robust.

Investment in Revenue Projects.

As well as the above new capital programme investments, it is proposed to use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature. These include:-

Pride Programme

- ❖ Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve across the Borough which is a further extension of the Council's comprehensive Pride Programme of environmental improvements.

Other

- ❖ Safeguarding vulnerable children and adults is our top Council priority. We continue to ensure that services have the financial resources to do this and are making available additional funding of £4.459m for Children's' safeguarding in 2017/18 compared to what was originally planned. We have also set aside funds to provide a £2.5m "draw-down budget" for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. We are also making £1.344m more funding available in 2017/18 than originally planned for our Early Help & Support services to help phase in the cuts that we are being forced to make.
- ❖ Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
- ❖ £500k of one-off resources will be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
- ❖ In addition £1.5m of one-off resources will be transferred to supplement the Invest to Save/Capacity fund. This will primarily be used to pump prime further "devolution" deals with partner organisations and community groups for example it may be possible to support groups to maintain/improve green space, pavements/walkways etc where this helps to reduce Council expenditure in these areas and/or supports the Council's "Green Guarantee". This funding will also support the

delivery of cost improvement plans across the Council but particularly in Safeguarding and Early Help & Support.

- ❖ £250k of one-off resources will be earmarked to fund organisation development initiatives. These will ensure that our smaller workforce are properly equipped to undertake their often new and much broader roles as we continue to shrink our workforce.
- ❖ The Council contribution to the Food Bank is now budgeted on an ongoing basis rather than from time limited funding recognising the critical support that this organisation provides to many local people. This represents a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

- 1.8 The Government have also, exceptionally, announced that councils may use new capital receipts generated during the three year period starting 1 April 2016 to fund the one-off costs of transformation. Effectively the Government are recognising that councils now face extreme financial challenges and are having to make fundamental changes to the way that services are delivered necessitating massive change programmes often with significant upfront one-off costs. The Government relaxation does have an implication for ongoing debt charges as debt levels will be higher than they would otherwise have been but this is a pragmatic solution to the severe challenges faced by local authorities. This new flexibility, albeit temporary, has enabled a review of one-off resources to be undertaken and some funds to be identified that can now be invested to support priorities and budget pressures that would otherwise have had to have been used to fund these one-off costs of service transformation. This sum has been further supplemented by a rigorous review of all other one-off resources and a review of financial risks not offset by specific reserves or provisions. This review included consideration of the remaining £233k set aside from the sale of the Bucks Head public house for potential investment in AFC Telford. This funding has been set aside since December 2013 pending receipt of acceptable proposals from the Club. Other than the release of £45k to fund essential fire safety and other works at the ground no other acceptable proposal has been received and it is therefore recommended that the remaining funding is de-committed and used to part fund a replacement 3G pitch in Madeley. Details of all reserves and provisions are set out in Appendix 5.
- 1.9 As the vast majority of the savings proposals for 2017/18 were subject to detailed consultation last year it is not proposed to undertake a similar extensive consultation process this year given that this is itself a very resource intensive process. Details of the ways that comments on this proposed medium term financial strategy can be made are included in Section 20 and Appendix 6. Consultation will commence on 6 January and continue through until 5 February 2017.

1.10 A specific issue that we would welcome residents views on is whether we should accelerate the implementation of the Adult Social Care precept. As explained above, in recognition of the extreme pressure facing Adult Social Care budgets the Government has offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users. Last year the Government assumed councils would implement a new “adult social care precept” and raise council tax by 2% a year for the next four years with this funding being used to help support adult social care services. This precept would be in addition to any normal council tax increase which would not be expected to exceed 2% without holding a costly referendum. Telford & Wrekin applied this precept as assumed by the Government and after extensive consultation with the community during which we received over 4,000 comments we also applied a further 1.2% rise in Council tax to help fund other services. A total 3.2% increase in council tax. The Council was set to apply this increase each year for the next three years in order to strike a balance between helping to protect essential services after very significant cuts in our grants from central Government whilst also recognising the financial pressures faced by local people. On 15 December 2016, the Government said that councils can now apply a 3% Adult Social Care precept for the next two years – 1% more than the Council had planned. This would see council tax rise by a total of 4.2% a year for the next two years - and a 6% increase in the precept in two years instead of spreading the increase over three years as currently planned. This would generate around £1.77 million one-off additional funding for adult social care services in total over the next two years but would see council tax bills rise more quickly. However if the Adult Social Care precept was implemented at the currently assumed rate of 2% a year spread over three years, by 2019 this would bring the adult social care precept to the same level. The Council has not altered its original plans but would like to hear whether local people would be willing to pay additional council tax next year to help support Adult Social Care service users. The two council tax options that we are consulting on are:-

- Apply the new 3% Adult Social Care precept in 2017 and 2018, giving a total increase in council tax of 4.2% for the next two years (74p per week in 2017/18 and 78p per week in 2018/19 for the average Band B property). In 2019/20, council tax would rise by 1.2% (23p per week for the average Band B property). This would give the Council an additional £1.77m in total over the next two years to help support Adult Social Care services.
- Spread the Government assumed 2% Adult Social Care precept over three years as currently planned instead of two and apply the Council's planned increase in council tax of 3.2% a year (an increase of 57p per

week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the next 3 years for the average Band B home).

- 1.11 As well as consultation with the public and business community, the Council's cross party Finance & Enterprise Scrutiny Committee has a series of meetings scheduled to consider the proposals put forward by the Council's Cabinet in detail. Scrutiny will also consider any proposals that are put forward by Opposition groups.

2. SUMMARY

- 2.1 Since 2010, Telford & Wrekin Council has faced cuts in the grant we receive from Government whereas prior to this date the grant would increase each year to recognise inflationary and other pressures. The scale of these cuts and the protracted period over which they continue to be made are unprecedented. The cuts in our grants are being made at a time when demand for many services, such as safeguarding children against harm or neglect and Adult Social Care have been increasing. These factors combine to place this Council, like most others, under extreme financial pressure.
- 2.2 However despite our severe financial constraints, Telford and Wrekin is a progressive Council with ambitions to improve the Borough and the lives of residents. We are tackling the impact of the Government's sustained grant cuts head on and finding new ways to deliver services and to generate income to help offset some of the grant cuts. We have a long track record of sound financial management and innovative solutions.
- 2.3 Our medium term service and financial planning strategy sets out how as a Co-operative Council, the organisation wants to take forward the Borough over the medium term. It is a vision which is centred on building a strong local identity and resilient and healthy communities by driving housing and economic growth whilst protecting and enhancing our reputation as a "green town".
- 2.4 Despite the severe financial challenges we face, our mission is clear. We are attracting new jobs and investment and promoting growth in the borough, whilst seeking to protect, as far as we are able to, priority front-line services and are working co-operatively with our residents and partners to deliver these.
- 2.5 **A Council working for, and together with, our Community:-**

From our on-going engagement with local people over many years, we are clear that they and their families have some fundamental priorities which we as a Council are working alongside them and in partnership to achieve.

We know that the people of Telford & Wrekin want to live:-

- **In a safe community** – we work in partnership with West Mercia Police to ensure that Telford & Wrekin remains a low crime area. Our work to support and safeguard children from sexual exploitation has been recognised by Ofsted as amongst the best in the country. We have worked to get Telford designated as a White Ribbon Town where domestic violence is not tolerated. Our Public Protection team carry out a lot of unseen work to ensure that local services and facilities are safe, that nuisances are tackled and houses in multiple occupation are better managed. We have made a commitment as a Council to always look after the most vulnerable in our community.
- **In a clean environment** – we work in partnership with TWS and Veolia and also with many Town and Parish Councils and the Parish Environmental Teams to ensure that our streets, parks and public spaces are clean and tidy and that we have first class waste collection and recycling services.
- **In a place with good roads and pavements** – each year we invest in a major programme to repair and maintain our roads and pavements. We have also secured significant amounts of Government funding to improve many roads, roundabouts and junctions so that congestion caused by more cars using our roads in the future will be reduced or avoided. Through our 'Pride in Your Community' initiative we have also made lots of little improvements in communities and on estates that can make a big difference to everyday life.
- **Where there are first class schools and education facilities** – we work in partnership to support our primary, secondary and special schools and performance is amongst the best in the West Midlands
- **Where there are excellent and accessible hospital and GP services** – we are working with many GP practices and Health Services in our neighbourhoods to provide more joined-up health and care services that better meet people's needs there is support in the community to help people to stay healthy. We are also doing all we can to seek to retain full Accident & Emergency services at the Princess Royal Hospital as well as the Women's and Children's Centre.
- **Where they have a job and there is a thriving economy** – through our Enterprise Telford approach, we are attracting more new businesses to come to our Borough every year bringing new jobs. We have also supported many existing businesses to succeed and expand. Through our 'Pride in your High Street' initiative, we have sought to give local businesses the key skills to both survive and thrive in our town centres. We work to protect local jobs, we have lobbied Government to retain key activity in our town such as HMRC, Cap Gemini and the Land Registry. We also work, through our Job Box and Apprenticeship schemes, to ensure local people, and particularly young people, have the skills they need to get a job.

- 2.6 While many other councils have focussed on making cuts while neglecting growth and stopped major development projects, we continue to invest to create jobs and safeguard the future prosperity of the Borough and its residents:
- The Council is investing over £50m in NuPlace a wholly owned Council Company for the development of around 400 properties for private rent and over £55m in expanding the Property Investment Portfolio. These initiatives will boost businesses, create jobs and generate additional income for the Council to help reduce the impact of Government cuts. Additional income from these initiatives is expected to arise from increased retained business rates, additional council tax and from New Homes Bonus and the sale of Council services to NuPlace as well as from direct profit (after funding all loan repayments and operating costs) from the projects. These capital investments also offer the Council the prospect of significant capital growth in asset values over the longer term.
 - Our £250m Southwater scheme is now open, kick-started by Council investment this has created over 400 jobs, safeguarded a further 300 and created a vibrant heart to the town as well as a regional leisure attraction. The Southwater developments also directly contribute income totalling £1.18m from rental of council owned properties and income from the Multi Storey car park. A further £0.68m is generated from retained business rates income. The net surplus after loan repayments and operating costs is used to support existing front line services and to reduce the cuts that would otherwise have to be made.
 - The owners of The Town Centre Shopping Centre are progressing a £200m expansion programme set to create an estimated 2,000 jobs.
 - We opened a new Town Centre library in the Southwater development.
 - Nearly £200m is being invested in improving the infrastructure of our schools and community leisure facilities.
 - We are making it easier for businesses to come here and grow, offering support to existing companies as well as attracting new firms and helping to create new jobs, supported by our new Growth Hub delivered in collaboration with businesses and the University of Wolverhampton.
 - We have invested in land stability schemes along with the Government to protect the Ironbridge Gorge – the area's biggest tourist attraction and the West Midlands region's only World Heritage Site.
 - Regeneration schemes completed in Hadley, Brookside, Oakengates, Hollinswood and St. Georges.
 - The proposed Capital Programme summarised in Appendix 4 totals over £280m.
- 2.7 On 25th November 2015, the Government announced the results of its Comprehensive Spending Review which set out expectations for economic growth, inflation and tax receipts for the remainder of this Parliament. The Comprehensive Spending Review also set out the Government's spending priorities. As expected the Government

reiterated its objective to eliminate its budget deficit and to run a budget surplus by the end of the Parliament. The Government has also continued to protect spending on the NHS, Education and Overseas Aid in real terms and has also now committed to protecting spending on defence as well as a number of other significant areas of public expenditure. There is little that the Government can do to reduce the very significant cost of servicing the national debt and as so many other parts of public spending are now protected, unprotected areas such as Local Government will continue to face significant reductions for the remainder of this decade.

- 2.8 The Autumn Statement was announced by the chancellor on 23 November 2016. This was against the backdrop of widespread international economic uncertainties arising from Brexit and the USA presidential election and lower Office of Budget Responsibility forecasts for UK Government tax receipts. Key announcements affecting the Council are summarised in Section 10.3 of this report.
- 2.9 The provisional Local Government Finance Settlement was announced on 15 December 2016. However, despite the “4 year Grant Settlement” at the time of preparing this report, details of funding totalling over £3m for next year have still not been released by the Government and a significant degree of uncertainty over our actual position for next year therefore remains. As expected this settlement will force the Council to continue to make cuts on an unprecedented scale with a cut of 25.9% in our Revenue Support Grant next year alone. Whilst it is a provisional settlement with final figures due to be announced in late January or early February, there is little prospect of any significant improvement in the final overall position. Clearly other factors will also change within our own budget as the Council delivers hundreds of services which operate in a dynamic environment and the budget gap projections will therefore need to be updated prior to consideration of final proposals by Cabinet in February.
- 2.10 The Government’s low priority for local government compared to other parts of the public sector and its subsequent significant transfer of risks to the local government sector including the introduction of local council tax support rather than centrally funded council tax benefits and local retention of business rates at a time when it is also radically reducing the grant that it gives to councils clearly all combine to increase the level of financial risk faced by councils. It is therefore essential that the Council has a medium term service and financial planning strategy in place that includes strategies to reduce reliance of government funding, that an appropriate level of reserves and contingencies is maintained by the Council and that financial performance across the Council is effectively controlled. The Council has a long track record of highly effective financial management and has again received an unqualified external audit opinion for its latest set of accounts.

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

TELFORD & WREKIN COUNCIL

REVENUE BASE BUDGET - BEFORE SAVINGS AND INVESTMENTS

Service Delivery Unit	<u>2017/18 GROSS EXPENDITURE</u>	<u>2017/18 GROSS INCOME</u>	<u>2017/18 NET EXPENDITURE</u>
	£	£	£
Health & Well-Being	18,495,218	16,911,593	1,583,625
Governance, Procurement & Commissioning	11,272,491	7,940,507	3,331,984
Customer & Neighbourhood Services	117,130,862	87,198,232	29,932,630
Business, Development & Employment	14,134,793	14,320,420	(185,627)
Commercial Services	37,416,050	33,939,100	3,476,950
Finance & Human Resources	8,570,690	7,177,510	1,393,180
Early Help and Support	57,369,127	14,866,178	42,502,949
Children's Safeguarding	21,460,605	624,961	20,835,644
Education & Corporate Parenting	130,766,719	117,514,879	13,251,840
Co-operative Council	3,533,357	2,058,867	1,474,490
Council Wide Items	5,568,984	8,116,298	(2,547,314)
Netting off of Internal Recharges included above	(35,126,107)	(35,126,107)	0
Total	390,592,788	275,542,438	115,050,350

Contributions To/From Balances	2,475,000	434,750	2,040,250
Net Total	393,067,788	275,977,188	117,090,600

Budgets for Service Areas will be restated once the Council has made final decisions on the savings and investment proposals contained in this report.

The overall service and financial planning strategy for the period 2017/18 to 2018/19 is summarised in the table below:-

	2017/18 £m	2018/19 £m	2019/20 £m
Projected Budget Gap (after £6.4m proposed cut to Revenue Support Grant in 2017/18 and assumed savings approved in March 2016 assumed for 2017/18)	(0.692)	12.187	21.563
Less Government assumption of 2% council tax increase relating to adult social care precept *	(1.113)	(2.261)	(3.446)
Less 1.2% council tax increase *	(0.668)	(1.357)	(2.068)
Budget gap after medium term strategy for council tax increases approved at Council in March 2016	(2.473)	8.569	16.049
Add pressures	5.803	4.645	4.063
Less additional savings adjusted for leakage detailed in Appendix 3	(1.779)	(2.380)	(2.723)
Further ongoing savings to be identified	0	(8.750)	(16.000)
Remaining shortfall to be covered from use of one-off resources as part of a planned strategy to deliver a sustainable ongoing budget position.	1.551	2.084	1.389

Notes:-

- * Based on 2016/17 tax base, this will be updated when the council tax base for 2017/18 is finalised in January 2017. If the Adult Social Care precept was increased by 3% rather than 2% in 2017/18 this would raise an additional £576k to be spent on Adult Social Care services.
- The figures above do not reflect the new Adult Social Care Support grant which is a one-off benefit of £0.778m in 2017/18 as considerable uncertainty remains on other grants which have been assumed but not announced at the time of drafting this report. The overall position will be firmed-up in the February report to Cabinet by which time the

Council should have final allocations for all outstanding grants, more certainty over what total income can be expected from retained business rates in 2017/18 and will be able to reflect any additional budget pressures that become apparent over coming weeks.

- The projections assume that all savings approved at Council in March 2016 are delivered in accordance with currently anticipated timescales.
- It is assumed that the additional savings for 2017/18 are implemented. However, this assumption will be revised following the consultation period to reflect any changes that are made in response to comments received.
- Projections for 2018/19 and 2019/20 will need to be refined as further information becomes available.
- The proposed use of £5m of balances over the 3 year period is prudent following the comprehensive review of available one-off resources that has been undertaken.

At the close of the consultation period on 5 February 2017 comments received, including those from the cross party Finance & Enterprise Scrutiny Committee will be taken in to account and the final service and financial planning proposals for 2017/18 will be prepared by the Cabinet. These will be considered at Cabinet on 23 February with final decisions being taken at Full Council on 2 March 2017.

3. RECOMMENDATIONS.

Members are asked to approve:-

- 1. The Service and Financial Planning Strategy set out in this report for consultation between 6 January 2017 and 5 February 2017.**
- 2. Creation of a One-off Partnership Capacity Fund totalling £695,000 as set out in section 6.3 with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- 3. The transfer of £1.5m of one-off resources in to the Invest to Save/Capacity Fund, £0.25m to the Organisational Development Fund, £275k to the Destination Telford Fund and £1.4m to fund investment in Pavements.**
- 4. That authority to respond to the provisional settlement and all future local government finance consultation documents is delegated to the Assistant Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- 5. That the £233k that was previously set aside to support new facilities at AFC Telford pending receipt of an acceptable business case is de-committed and used to part fund a new 3G pitch in Madeley.**

6. That Business Rates deals may, in future, have a maximum 5 year life subject to the agreement of an appropriate business case – as set out in Section 5.3
7. Transfer the remaining £6.9m. of available one-off resources to a one-off contingency fund to cover pressures such as costs arising from severe weather, demand for safeguarding services etc. with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

4. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report will impact on specific groups of people. An Impact assessment, on the additional 2017/18 savings proposals, highlights limited equalities, environmental and economic impacts which are included in sections 18 and 19 and Appendix 7. We will conduct a full impact assessment of all future savings proposals prior to any decisions being taken and include details in reports to Cabinet as appropriate.</i>
TARGET COMPLETION/DELIVERY DATE	<i>Public consultation will take place between 6 January 2017 and 5 February 2017. The proposals contained in the report will also be subject to Member scrutiny during this period. Final proposals will be considered by Cabinet on 23 February 2017 who will make recommendations to Full Council on 2 March 2017. The final agreed recommendations will be implemented during 2017/18 and future years.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<i>This report sets out the service and financial planning strategy for the council for 2017/18 and the medium</i>

		<i>term.</i>
LEGAL ISSUES	Yes	<i>This report develops the proposals for the Council's budget and policy framework which will be consulted upon in accordance with the Policy Framework & Budget Procedure Rules contained in the Constitution. In accordance with the relevant provisions of the Local Government Finance Act 1992 and the Local Government Act 2003 the Council has to set a balanced budget before the 11 March 2017 and has to have regard to the advice provided by the s.151 officer on the robustness of the budget and the adequacy of reserves supporting the budget before doing so.</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p><i>This report sets out the strategy framework which includes consideration of corporate risks – particularly in relation to the availability of balances.</i></p> <p><i>Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment.</i></p> <p><i>The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reducing their environmental impact. The environmental assessment detailed in Appendix 7 provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive.</i></p> <p><i>The economic impacts of the proposals are also detailed in Appendix 7 and are broadly neutral in 2017/18 given the reduction in</i></p>

		<i>spending by the Council, much of which will reduce economic activity within the Borough although this is broadly offset by the continuation of initiatives funded from one-off resources and the capital and revenue investments outlined in the report and the Council's "business winning, business supporting approach".</i>
IMPACT ON SPECIFIC WARDS	Yes/No	<i>Borough-wide impact.</i>

5. **OUR ORGANISATIONAL FOCUS**

5.1 **A large organisation delivering for local residents, businesses and visitors.**

Telford & Wrekin Council serves a population of 172,000 people which is forecast to grow to around 196,900 by 2031. As our population grows, it is ageing and becoming more diverse. The Borough is a key growth hub in the West Midlands in terms of both housing and the local economy and jobs. We have a strong track record at attracting inward investment from both the private and public sector including £70m from the Ministry of defence and in excess of £80m from Magna (automotive supply chain manufacturing). Manufacturing provides 16.7% (8% England) of jobs in the Borough.

Telford is the focus for much of our housing and economic activity, with the historic market town of Newport to the north and the UNESCO world heritage site of Ironbridge to the south on the banks of the River Severn. Although at face value it is a successful and attractive place to live, Telford & Wrekin is an area of contrast with 15 neighbourhoods ranked in the 10% most deprived nationally bringing very real challenges as to how we ensure that all of our population shares in the prosperity which our growing economy generates.

Despite the significant Government cuts faced by the Council, Telford & Wrekin Council is still a large organisation with a significant revenue budget and capital programme and delivers a wide range of essential services to the local community. These include universal services delivered to residents across the Borough such as waste collection and disposal, household recycling, grass cutting, road maintenance, sports and leisure facilities, strategic planning and development control, economic development etc to more targeted services such as support for the homeless, adult social services provided to older members of the community and those with physical or sensory disabilities and services to protect vulnerable children from harm, neglect and abuse.

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

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

5.2 "Put our children and young people first"

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

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

5.3 "Protect and create jobs as a 'Business Supporting, Business Winning Council"

A strong local economy is essential to increasing the prosperity of the Borough. We want a thriving, growing economy. Since 2011, the Council has worked successfully to attract and support inward investment into the Borough and to support the retention and growth of our existing businesses. The local economy has grown faster than the national average and we have designated the whole Borough an Enterprise Area with incentives for business expansion and investment across all economic sectors.

Under Enterprise Telford we offer a more competitive "investment offer" tailored to individual business requirements than our competitor locations.

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

In exceptional cases, the Council will negotiate some flexibility around business rates, mainly for major new inward investors but currently these can only extend through to 2019/20. It is now proposed that this deadline is replaced by a rolling 5 year maximum life for any future business rates deals.

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

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

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

Educational attainment in the Borough has improved significantly over recent years and standards in our primary schools are now in line or above national averages. The performance across our secondary schools is more variable and several schools now have refreshed leadership teams in place. GCSE results are starting to show improvement but are currently below the national average, Whilst 86% of schools in the Borough are classified as good or outstanding by OFSTED, we will continue to support and challenge those schools, which need to improve further.

5.5 “Protect and support our most vulnerable children and adults”

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

- Delivered more timely placement of children for adoption.
- Increased the number of foster carers from within the Borough to reduce agency and out of Borough placements.
- Ensured a sharp focus on supporting parents to care for children, especially teenagers, and returning children in care back home where it is deemed to be safe.

- Development of “MyLife”- a web based resource to provide information and advice for residents needing social care support.
- Development and launch of the “Personal Assistants Register” to help residents access the right home support.
- Development and sign off of an “Information & Advice Charter” with the voluntary sector.

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

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

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

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

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

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

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

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

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

Over the past 3 years we have invested significantly in our “Pride in our Community” programme to improve the quality of the environment in neighbourhoods along with retendering the household recycling service – saving £30m over the lifetime of the waste contract, delivering a simpler household “purple top” recycling collection service for residents and provision of new household recycling centres which are open 7 days a week. We have also seen local people take on responsibility to improve their neighbourhood with the recruitment of 246 volunteer snow wardens and 416 street champions to date.

We continue to explore new delivery models for neighbourhood services through working with the community and town and parish councils which has seen the development over the last 2 years of 12 Parish Environmental Teams (PETs) which has generated an extra £300k per annum of additional funding to enhance the Environment. We are also utilising the Community Payback Teams who have saved the council £175k per annum through the provision of additional labour. This report also includes proposals to use £1.4m over the next two years to improve our borough’s pavements and our £5.2m capital investment into LED lighting right across the borough will see a new contract commence from February 2017 and a LED replacement programme completed over the next 2 years delivering a further £250k per annum in energy savings as a result.

Our priority for next year will be a key focus on Enforcement ensuring a more robust response and consequences for those who commit environmental crime in our borough and our work to retender for a new Grounds and Cleansing and Highways provider from 2019 to ensure we secure best value as a result of that procurement process.

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

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

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

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

Whilst the housing stock of the Borough continues to grow (we expect to deliver well over 1,000 new homes in 2016/17), we want to ensure that all residents can live in good housing. The Council has worked hard through 2016/17 to tackle empty properties through a support package and loan facility in place. To support the ever growing demand for private rented accommodation, we have established and launched a Landlord Accreditation Scheme to support and set minimum standards for private landlords within the Borough and launched “Telford Home finders” a web based lettings agency for accredited landlords. For our most vulnerable, we have significantly reduced dependency on bed and breakfast for temporary housing accommodation.

We have established “NuPlace” a private company building new homes for both market and affordable rent – with 129 of the 132 first phase properties at Randlay and Woodlands now let and over 100 of these now occupied with the others being occupied during December. Phase 2 properties at Matlock Avenue are also now being reserved. NuPlace continues our goal to improve quality housing choices for local residents, support the regeneration of a number of neighbourhoods, and create income for the Council to support the delivery of front-line services.

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

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

Although there have been some improvements in the health of the population, there remain real health inequalities in the Borough – that is people in the most deprived parts of the Borough live fewer years than people in the least deprived parts.

To address these challenges our new Health & Wellbeing Strategy is focussing on encouraging healthier lifestyles, improving mental health and mental wellbeing and strengthening community resilience and community based support. We are working with local GPs and other partners to develop models of neighbourhood working to support people to stay healthy and keep well. We are leading the way in developing peer led approaches to improving health particularly for those on their journey recovering from drugs and alcohol addiction.

6. MOVING FORWARD: OUR MEDIUM-TERM 2017/18 TO 2018/19 SERVICE & FINANCIAL PLANNING STRATEGY

6.1 The medium term service and financial planning strategy approved at Full Council in March 2016 agreed the majority of the detailed savings that were required for 2017/18. Some additional savings proposals are included in Appendix 3 together with details of further pressures. The medium term service and financial planning strategy also set out the proposed medium term approach to council tax increases i.e. that these should be 1.2% each year through to 2019/20 plus the application of the Government's new "adult social care precept" i.e. that the 2% figure assumed by the Government should be implemented in full. Views on the proposed total council tax increase of 3.2% (or whether the Government's additional 1% increase in the Adult Social Care precept should be implemented) and the additional savings proposals in Appendix 3 are sought during the consultation process.

6.2 A New Approach to Developing Savings Proposals and Community Consultation

6.2.1 Having previously agreed a medium term service and financial planning strategy at Council in March 2016 for the two year period 2016/17 to 2017/18, it is now possible to focus on longer-term planning. In an organisation that will have already delivered almost £100m of ongoing annual savings by the end of this financial year it is essential that a longer term view is taken as future savings will be more challenging and time will be needed to consult with stakeholders about options and ways to minimise impacts. Therefore a new approach to consultation and development of savings for the year 2018/19 and 2019/20 will be taken with proposals being developed as soon as opportunities arise and capacity allows rather than co-ordinating through an annual process as historically was the case when resources were not so tight and the need to implement change not so urgent.

6.2.2 The service and financial planning report to Council in March 2016 set out detailed proposals relating to specific savings and the outcome of extensive public consultation relating to these proposals. The 4 week programme of consultation outlined the high level messages in relation to the Council's financial position and also sought views on 32 proposals that were likely to have greatest impact on the community. Following approval of the Council's budget in March 2016, consultation on the implementation of these proposals has continued as appropriate, including consultation during the summer relating to the future management of a number of libraries within the Borough. We have also been working closely with a number of community groups and Parish Councils in relation to future management of the Council's community centres.

6.2.3 Based on current estimates, further savings will need to be made during 2018/19 and 2019/20 totalling between £15m and £20m. As the majority of savings until 2018/19 have already been identified this

provides us with an opportunity to take a different approach in terms of finalising and consulting on the Council's medium-term Service & Financial Planning Strategy. Although there is a need to bring forward a number of additional savings for 2017/18 (detailed in Appendix 3), consultation has already taken place on the vast majority of savings that are likely to have the greatest impact upon the community in 2017/18. Equalities, Environmental and Economic Impact assessments on the additional savings proposals have been carried out and are summarised in sections 18 and 19 and Appendix 7.

- 6.2.4 Our previous approach to budget consultation means we have been able to raise awareness of the Council's financial position amongst partners and the community and to reach a large number of people, however by developing a defined list of savings and consulting on the potential impact of implementing them, we miss the opportunity to develop a wider range of solutions. This can be seen in the work that has been done to secure the future of a number of libraries and community centres. By working with Town and Parish Councils and residents we have been able to develop alternative ways of delivering these services. It is therefore proposed to adopt this approach with those savings to be delivered in 2018/19 and 2019/20 that have the potential to impact directly upon our residents. We will therefore start an earlier dialogue with a range of partners and service users who could assist in developing alternative service solutions.
- 6.2.5 This report identifies where we need to make savings under the headings of 'being the change'. We will proceed to identify where we intend to enter into a dialogue with the community and our partners in relation to service re-design or savings that will impact upon the community. Our approach will involve communication in relation to the Council's strategy for Service & Financial Planning and will identify where we intend to start a dialogue regarding those savings that have the potential to impact directly upon the community. This dialogue will be supported by the programme of community capacity building that will be delivered across the Council and coordinated by the Community Participation Team. This will enable the community and potential partners to have a greater level of input in developing solutions to some of our most difficult financial challenges. This approach supports our ethos as a Cooperative Council and will ensure that our financial strategy aligns with the themes of 'being the change'.
- 6.2.6 The process of implementing the library savings has followed this approach and has involved the following steps;
- raising awareness of the need to reduce the cost of library provision to the Council
 - working with Town and Parish Council's to develop a model of retaining library provision within the Borough
 - negotiating a transitional funding support package to enable the movement of libraries to Town and Parish Councils

- carrying out statutory consultation relating to the revised model of library provision within the Borough

6.2.7 This approach differs to the way in which we have previously developed our budget strategy which has involved us developing a range of savings proposals and seeking the views of the community on these proposals. This approach limits the opportunity to work proactively with residents and other stakeholders such as Town and Parish Councils and the voluntary and community sector. We want to work more closely with these and other partners in identifying options and potential solutions to the budget challenges that we face. As we have largely set our budget for 2017/18 in broad terms, we have a unique opportunity to take a more open and positive approach to developing our savings proposals for the following 2 years, which will enable us to develop a more creative range of solutions involving our communities and partners. This will include following a similar process to that outlined for libraries above; identifying areas in which there is a need to make savings, working with partners to develop a range of alternatives to make the savings, carrying out consultation on revised ways of delivering services where required, and providing some transitional support, where possible, to implement the agreed solution.

6.3 Support for alternative service provision

An important aspect of this strategy is ensuring that organisations within the Borough have the capacity to work with us to develop and deliver alternative service solutions. The budget for 2016/17 included £100,000 that has been set aside from a reserve budget to be invested in building the capacity of the voluntary and community sector in the Borough. It is now proposed that an additional £95,000 which is unallocated funding from the Corporate Grants budget is added to this to provide a one off pot of £195,000 that will be invested in building the capacity of organisations that are able to help the Council reduce its service costs and demand on Council services. Following the review of one-off resources that has been undertaken, it is further proposed that £500,000 of additional one-off resources are added to create a total **Partnership Capacity Fund** of £695,000. It is recommended that the use of this one-off fund would include the following;

- grant will be used to build capacity and sustainability of the organisation
- organisations will support delivery of council savings or reduce demand on council services
- funding will act as pump priming to secure additional external funding
- Allocations from the fund to be approved by the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

This fund will complement the existing Partnership Support Fund that is available to organisations that are taking on the delivery of services

that can no longer be delivered by the Council. Support will also be provided to organisations to secure external funding via the new Funding Officer post within the Community Participation Team.

6.4 Approach to Future Development of Savings Proposals.

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

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

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

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

6.5 Based on this ethos we have adopted 4 core elements for our medium term service and financial strategy set out in more detail in “Being the Change” to take the organisation forward and help us to deliver the budget savings projected to be required over the medium term. In summary the 4 core elements are:-

- Focussing on Solving Problems and promoting Social Responsibility and action to manage and reduce demand for services
- Challenging & Changing, Reviewing and Reimagining the way we do things
- Reducing our Dependency on Government Grants
- Being a Modern Organisation with Modern Practices and Where we Always Get the Basics Right

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

services – Target for additional savings over 2018/19 and 2019/20 is £8m.

- **“Demand Management”** - ensure that resources are targeted at those residents most in need of help. This is about understanding why people use our services and keeping them out of high cost systems.
- **“Prevention”** – avoid problems which place demand on public services by encouraging people to help themselves to prevent needs developing in the first place. This is relevant to the majority of our population and has a lifelong all age focus.
- **“Early Help & the Right Help”** – when individuals and families do need help and support, we want to identify them quickly and identify the right, effective support first time to avoid issues escalating and requiring more intensive and expensive intervention but also to avoid long-term dependency on our services. Through a whole Council approach, we will improve the customer journey to provide a better seamless journey for clients.
- **“Think Family – Strengthening Families”** – to target our resources at those families most in need of support by taking holistic approach through a key worker model to “turning around” these families. This is a partner-wide agenda and is being led by the Local Strategic Partnership (LSP) and is linked with Enterprise Telford through which we aim to deliver more jobs to promote economic independence.
- **“Working in Communities”** – to reduce demand by targeting our resources at areas in the greatest need of support and working more effectively with the resources which are already in place in our communities. Strong communities place the least demand on public services.
- **“Building Community Capacity”** – the need to harness the resources of the community, community groups and Town And Parish Councils, in helping to develop solutions to improve outcomes for our residents. This is core to our Co-operative approach, the Council doesn’t have a monopoly on the resources or solutions to resolving challenges in our communities. This approach will be strengthened by the new £695,000 Partnership Capacity Fund totalling referred to in section 6.3 above.
 - **Community self-help** – building people’s social support networks by making best use of the resources and assets which are available in a local area – this helps people remain in and be an active part of their local community
 - **Effective co-production** – supporting the development of service provision by communities and moving away from a narrow focus of meeting needs through practitioner provided services.

6.5.2 Challenging & Changing, Reviewing and Reimagining the way we do things – Target for additional savings over 2018/19 and 2019/20 of £5m.

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

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

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

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

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

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

6.5.3 Reducing our Dependency on Government Grants – Target for additional savings over 2018/19 and 2019/20 of £2m.

We have already taken significant steps to reduce our dependency on Government Grants and we will continue to drive these forward as grant continues to be rapidly withdrawn by the Government:-

- **“Increasing income through trading our existing services”** – there are many Council services that already “trade” outside the organisation and secure income. Primarily ICT, Finance and H.R. Services, Facilities Management and Cleaning, Property Management and Catering. A key purchaser of these services are schools – both those in the Borough and in the past 12 months an increasing number of schools from outside the Borough.
- **“New commercial development/projects”** – we have developed a track record on taking on new ventures to deliver income to the Council and protect front-line services:
 - A solar farm providing £4.4m profit over the next 25 years.
 - Established “NuPlace”, a housing company which will provide around 400 new homes for private and affordable rent, with the first homes now occupied.
 - Established a Growth Fund to invest in development of premises for businesses to encourage job creation and retention as well as generating additional rental income and business rates income

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

- **“Maximising existing funding streams”** – there are 3 main areas which we are already progressing and will continue to drive:
 - **Business Supporting, Business Winning** – continuing to work to attract new investment and work to support the retention and growth of existing businesses. As well as being the right thing to develop jobs and growth in the Borough, the Council receives 49% of all new **business rates** rising to potentially 98% at some point in the future subject to clarification of Government proposals.
 - **Growth Through Good Planning** - this is a whole Council approach by which all services work to support and enable business investment in the Borough. Through this approach we have been ranked by the 2014 Core Cities Report in the top 3 local authorities for job growth and housing growth. Through this the Council will see **new Council Tax** and Business Rate receipts, as well as receiving the Governments’ **New Homes**

Bonus for new homes – until any major changes to the local government finance system.

- **Property Investment Portfolio** - a property investment portfolio delivering £5.1m income per annum from rental income.
- **“Securing external funding”** – again we have successfully driven this agenda, including £18.79m through the Marches Local Enterprise Partnership Local Growth Fund. In addition, we have also joined the **West Midlands Combined Authority** and are actively working through this to maximise future opportunities for the Borough.

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

6.5.4 Being a Modern Organisation with Modern Practices and Where we Always Get the Basics Right – Target for additional savings over 2018/19 and 2019/20 of £2m.

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

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

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

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

make greater use of framework agreements and get added social value from procurement.

- **Contract management** – ensuring that we always receive the service or products which we have procured through effective monitoring of delivery and renegotiation of contracts.

7. SAVINGS ALREADY DELIVERED

- 7.1 The Council has faced truly unprecedented cuts to its grants from central Government which have now forced us to make ongoing annual savings of almost £100m. The need for savings has increased each year due to Government grant cuts, inflation and other pressures. Ongoing savings delivered by year are detailed below:-

	£m
2009/10	4.156
2010/11	6.725
2011/12	11.659
2012/13	19.069
2013/14	11.306
2014/15	17.204
2015/16	10.237 (Includes in-year Public Health cut)
2016/17	15.743
Total	96.099

- 7.2 This is equal to a cut of around £1,300 pa in the cost of Council services for every household in Telford and Wrekin. In delivering these savings, we have applied the principle of 'as far as possible minimising the impact on priority front-line services'. This principle remains at the core of our current strategy although it is now inevitable that we have to put some savings proposals forward that do have significant consequences on front line services. Savings delivered to date include:-

7.3 Council Jobs

- Reduced the number of jobs by over 1,420 since April 2010, saving around £26m pa following major redesign and restructuring of the organisation to meet the challenges facing the Council. This has seen 640 vacancies deleted and 780 redundancies (with a further 82 people under notice as at 25 November 2016 who will leave before the end of the financial year). Through effective redeployment only 89 of these have been compulsory redundancies.
- Redeployed over 3,100 people within the organisation as a result of restructuring with many employees now having been redeployed more than once.
- Since 2009 staff pay has increased by 4.2% while inflation (RPI) has risen by 24.8% cutting staff pay in real terms by 20.6%

7.4 Senior managers

- Reduced the size of the senior management team by 57% which is over twice the national average reduction of “Nearly 23.2%” as reported by the Municipal Journal in October 2015.
- Cut the pay of our most senior post by 30% in real terms.
- Cut the number of middle managers by 45%.

7.5 Back office costs

- Cut back-office costs by around 48% since 2009, saving £10.8m a year. This scale of reduction is significantly greater than what most authorities have achieved through outsourcing or sharing services and has been achieved much more quickly as protracted negotiations with other councils or third party providers have been avoided. Retaining full control of these services also allows maximum flexibility to drive further changes in future.

7.6 Buying better value services

- Delivered £11.4m procurement savings over the past 8 years by renegotiating and re-tendering contracts for the provision of services.
- Secured savings of £30m over the lifetime of the waste collection and disposal contract.

7.7 Income through growth

- As part of our business winning approach, we expect to generate an extra £7.1m income by 2018, through growth in business rates and council tax since the introduction of the new local government finance system in April 2013.
- We will receive just under £6.5m in 2017/18 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply which is in line with figures issued as part of the provisional local government finance settlement.
- Increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin.

7.8 New Commercial Income

As outlined earlier in this report, a major strand of our approach to dealing with the Government's cuts to our Revenue Support Grant has been to increase income. This additional income, after covering associated marginal costs makes a significant contribution to our fixed costs and as a consequence is now a very significant factor in reducing the cuts to front line services that we would otherwise have to make. Significant income streams include the overall positive impact from our investment in homes for rent through our wholly owned company, NuPlace, which is projected to exceed £0.5m in 2017/18, the profit from the solar farm which will exceed £0.2m, the net additional income from the Telford Growth Fund which is boosting the returns from our

existing Property Investment Portfolio total income from which will exceed £6.5m in 2017/18 and the contribution made from our success in delivering high quality support and advisory services to schools – whether they be maintained schools or Academies and whether located within the Borough – or increasingly, outside the Borough. The gross income from trading with schools now exceeds £8.5m pa.

7.9 Shared Services, Trade Union Facilities Time, Cabinet Member Allowances

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

Examples include:-

- The West Mercia Youth Offending Service (WMYOS) established in partnership with Worcestershire, Hereford, Shropshire, health, police and probation. The service is now managed by The Police and Crime Commissioner (PCC) with genuine integrated working practices ensuring improved outcomes at a lower cost.
- Membership of West Mercia Energy, a joint energy procurement consortium consisting of 4 upper tier authorities.
- We have for some years delivered a number of specialist services through a joint arrangement with Shropshire Council. Telford hosts sensory inclusion and portage whilst Shropshire provides a pan Shropshire adoption service. We are currently exploring a wider partnership arrangement for the adoption service.
- We also work with authorities across the West Midlands through our links to IEWM to put in place regional procurement contracts for agency foster care and residential accommodation.
- Working co-operatively with our Town and Parish Councils such as the Parish Environmental Teams and new arrangements for the delivery of some library services.
- Sharing the administrative costs of the pension scheme by participating in the Shropshire wide superannuation scheme.
- We continue to look for other opportunities for joint working where it can be demonstrated that service users will benefit at a lower cost.
- Trade Unions have agreed a 20% reduction in facilities time payments for directly employed staff.
- Cabinet Members voluntarily reduced their special responsibility allowances by 10% at the start of the previous Administration which the current Administration have continued.

7.10 Council buildings

- Disposed of 27 properties including the former Civic Offices building.
- Reduced the office space we use by a third, saving the Council £2m. pa.

8. CAPITAL RECEIPTS AND DEBT CHARGES

- 8.1 The Council's programme of property rationalisation has not only reduced running costs but is also generating significant capital receipts enabling us to fund some investment from internal resources rather than from increased borrowing. Debt clearly has to be repaid and adds to pressure on the revenue budget so the generation of capital receipts from the sale of surplus assets helps protect essential front line services. This reduces the amount of cuts that would otherwise have to be made.
- 8.2 The Council, unlike the Government, is not able to borrow to fund revenue services as the Council has to set a balanced revenue budget each year with any shortfall being funded by the use of balances – if available, or from further cuts to spending or increased income.
- 8.3 Debt repayments represent a long term fixed charge against the revenue budget which reduces the amount of funding available for the provision of front line services. "Good capital investment" can also fund assets which will increase in value over the longer term. Invest-to-Save schemes such as the solar farm or the Housing Investment Programme and investment in the Property Investment Portfolio represent "good capital investment" as they earn a surplus which can be used to help protect front line services as the surplus generated helps to reduce the impact on the revenue budget of Government cuts to our grants.
- 8.4 In Telford & Wrekin debt repayments in 2016/17 accounted for 6.9% of the net revenue budget (including payment to Shropshire Council in respect of pre-unitary authority debt). This compares to:-
- Birmingham 26.5%
 - Shropshire 9.2%
 - Unitary Authority average 10.0%
 - Telford & Wrekin 6.9%
- 8.5 Debt repayments in the average unitary authority are almost 50% higher as a proportion of net revenue stream compared to Telford & Wrekin. A graph showing the percentage of the net revenue budget allocated to debt repayments in 2016/17 for all unitary authorities is included in Appendix 8.
- 8.6 Our programme of asset sales totals £48.8m over the medium term. The planned profile of these receipts is shown below:

	£m
2016/17	8.408
2017/18	5.200
2018/19	16.020
2019/20	11.940
Later years	7.250

Total	48.818
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- 8.7 Generation of these receipts is a key assumption within the service and financial planning strategy. The Council has a detailed schedule of asset disposals to address this and this schedule is regularly monitored by both officers and members of the Audit Committee and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This dependency will continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some capital spending schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis although this would increase revenue costs and necessitate further cuts to other services or the use of additional one-off resources.

9. SECTION 106 AGREEMENTS

- 9.1 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S.106 agreements are often referred to as 'developer contributions'. The common uses of planning obligations are to; secure affordable housing, to secure financial contributions to provide infrastructure (for example relating to necessary highways works to provide access to the development) and to help fund new educational facilities for the children of families that move in to newly built houses. Careful negotiations are undertaken with developers in reaching the s.106 agreement which are legally binding and clearly state what the funding can be used for.
- 9.2 Legally a S.106 can only be requested when it is:
1. necessary to make the development acceptable in planning terms
 2. directly related to the development; and
 3. fairly and reasonably related in scale and kind to the development.
- 9.3 Negotiations have to ensure that developments remain viable and the National Planning Policy Framework (NPPF) states where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.
- 9.4 The Council's Children and Young People Scrutiny Committee undertook a scrutiny review of Primary School Places during 2014 which considered s.106 agreements relating to education and it was agreed that details of these agreements would be included in the

service and financial planning report in future years. Details are therefore included in Appendix 9 for the period 1st April 2016 to 31st October 2016 showing income and expenditure on each scheme relating to Education. Details of these and all other s.106 agreements will be included in the final accounts report which is considered by Cabinet in June of each year to show the year-end balance and in-year movement relating to each current s.106 agreement.

10. MEDIUM-TERM FINANCIAL OUTLOOK

10.1 Context

Throughout the last Parliament, the Government exercised very tight control over public sector spending but protected spending on education and the health service which together account for a large part of total public expenditure. Overseas aid was also protected with a commitment to spend at 0.7% of GDP. This means that spending on other parts of the public sector faced disproportionate cuts with Local Government most severely affected. The cuts to local government have not been uniformly distributed across the country but have been targeted at areas of greatest social need which have historically attracted more grant from government to reflect their greater levels of deprivation. More prosperous parts of the country tend therefore to be less affected by the cuts to grants but also tend to have a higher level of council tax base and growth which increases income from council tax, new homes bonus and from retained business rates.

10.2 Comprehensive Spending Review 2015.

George Osborne delivered his Comprehensive Spending Review on 25th November 2015. The Spending Review 2015 (SR15) report sets out the Government's spending plans for 2016/17 to 2019/20 and sets out expectations for economic growth, inflation and tax receipts for the remainder of the Parliament. The Comprehensive Spending Review also set out the Government's spending priorities.

10.3 Autumn Statement 2016.

Philip Hammond, Chancellor of the Exchequer made his 2016 Autumn Statement to the House of Commons on 23 November 2016. Announcements particularly relevant to local government and the Council within the Autumn Statement 2016 are summarised below:-

10.3.1 Government Spending

The Chancellor confirmed that the Government has abandoned its commitment to reduce public sector net borrowing to a surplus by the end of this Parliament. It is now planning for a deficit of £21.9bn in 2019/20, compared to the surplus of £10.4bn planned for at Budget 2016, an increase in public sector net borrowing for 2019/20 of £32.3bn. In total borrowing will be £122bn higher through to 2021/22 than previously assumed.

The Chancellor stated that the Government is committed to the existing overall plans for departmental resource spending until 2019/20, which were set out at Spending Review 2015. Departmental resource spending will grow with inflation in 2020/21 and 2021/22.

A new fiscal framework is intended to provide the opportunity for additional investment in the productive capacity of the UK economy, the centrepiece of which is a new National Productivity Investment Fund (NPIF), which will provide for £23 billion of spending between 2017/18 and 2021/22. This fund will provide additional support in order to:-

- Accelerate new housing supply;
- Tackle congestion on the roads;
- Support the market to roll out full-fibre connections and future 5G communications;
- Enhance the UK's position as a world leader in science and innovation.
- The Autumn Statement sets out the priority areas and levels of funding up until 2020/21 across the four areas identified; but specific projects will only be decided in the future. The funding available across the four areas is £2.4bn in 2017/18; £3.8bn in 2018/19; £5.0bn in 2019/20; and £5.5bn in 2020/21. A further £7bn will be available in 2021/22.

At the time of preparing this report details of how the NPIF will operate were still not available.

10.3.2 Business Rates

The Government has announced a number of changes to business rates. The main changes announced are:

- From April 2017, there will be 100% business rates relief on investment in new broadband fibre infrastructure;
- From April 2017, rural rate relief will be increased to 100%;
- The Government has not yet stated whether local authorities will be provided with s31 grant to compensate for these reforms but on past precedent, it would be expected that they would do so although these announcements will have limited impact locally.

10.3.3 Regions

Measures announced included:

- The Government will award £1.8bn to Local Enterprise Partnerships across England through a third round of Growth Deals. £392m of this will go to the Midlands. The Chancellor announced that awards to individual LEPs will be announced in "the coming months";
- The Government will give mayoral combined authorities powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury;
- The Government will also consult on lending local authorities up to £1bn at a new local infrastructure rate of gilts + 60 basis points for three years to support infrastructure projects that provide high value for

money. This represents a 0.2% discount on the rates that we can generally borrow at from the PWLB.

- The Government will publish a Midlands Engine strategy shortly;

10.3.4 Other measures announced:

- A new Housing Infrastructure Fund of £2.3bn by 2020-21, to be allocated to local government on a competitive basis.
- The Government will increase the National Living Wage (NLW) by 4.2% from £7.20 to £7.50 from April 2017 – this had already been assumed within our projections.
- There will be no Autumn Statement in 2017 and beyond as the annual budget will be delivered in the autumn, rather than spring in future.
- Estimates for economic growth show revisions downwards compared to the budget in April 2016 - from 2.2% to 1.3% in 2017/18, from 2.1% to 1.9% in 2018/19, unchanged in 2019/20 and from 2.2% to 2.1% in 2020/21.
- Forecasts for CPI inflation were increased from 0.6% to 1.0% in 2016/17, from 1.6% to 2.5% in 2017/18 and from 2.1% to 2.5% in 2018/19 but unchanged at 2.0% in both 2019/20 and 2020/21.
- Forecasts for national projected receipts from Council Tax for England show increases of between £0.1bn and £0.2bn per annum between 2015/16 and 2019/20, but a decline of £0.1bn in 2020/21.
- Forecasts for national projected receipts from business rates show increases in receipts in all future years of between £0.6bn in 2016/17 to £1.6bn in 2017/18 and 2018/19. In part, this is due to higher assumptions for RPI.
- The national debt is forecast to continue to increase as a percentage of GDP peaking at 90.2% of GDP in 2017/18 whilst the absolute level of the national debt will continue to increase in to the next parliament.

10.3.5 Main Impacts of Autumn Statement Announcements on Council Budgets:-

- Unfortunately despite widespread concerns being expressed by many groups in recent months, there was no recognition of the funding pressures facing Adult Social Care or the wider financial pressures facing councils.
- An increase in Insurance Premium Tax of 2% from June next year will cost the Council around £25k pa.
- The Council has an assumed savings target from the benefit from salary sacrifice cars of £40k pa. This will need to be phased out from our budgets due to the changes to salary sacrifice schemes announced by the Chancellor.
- The increase in employer's national Insurance contributions may cost the Council around £20k pa
- No update on expectations for public sector pay were announced so it is assumed that despite higher rates of inflation that the Government would look to still cap pay awards at 1% pa nationally. If higher inflation results in higher pay awards this would impact on the Council's

budget but some allowance has been included in current forecasts of our budget gap as explained later in this report.

- Higher levels of inflation and the living wage increase will impact on suppliers of services to the Council – particularly care providers resulting in upward pressure on prices.
- The living wage increase directly attributable to the Council will be covered from the funding set aside for implementation of single status. Further increases in the Government's "Living Wage" are also assumed to be funded from the single status ongoing budget provision.
- The Government confirmed that the previously proposed cuts to Education Services Grant. However, the Education for All Bill is not proceeding which would have removed Council's improvement duties. Therefore councils now have duties with no funding to pay for them. This position will have to be discussed with schools in the Borough.

10.4 Social Care

Last year, the Government announced that councils with adult social care responsibilities would be able to raise an additional 2% pa through council tax to fund adult social care by introducing a new "social care precept". This 2% would be in addition to the council tax referendum limit and would need to be used exclusively for adult social care only. The Government assumed that this would raise an additional £2bn per annum by 2019/20 and the Government assumed that all eligible councils would increase by the maximum 2% each year throughout this period in its projections of the funding available for adult social care in the CSR2015 and in the local government grant settlement.

Telford & Wrekin Council set a medium term strategy that reflected this Government assumption i.e. that we would pass this additional council tax increase on to council tax payers. This is a clear transfer of responsibility from central government tax receipts to council tax payers but the funding position for adult social services is such that almost all councils have had to follow this approach.

As part of the provisional Local Government finance settlement a one-off Adult Social Care Support grant for 2017/18 and the ability to accelerate the implementation of the adult Social care precept were announced. These are discussed in more detail in Section 10.7 of this report.

10.5 Local Government Funding Reform

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

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

The Government are committed to passing 100% of revenues from business rates to councils by the end of the current parliament. In this area Telford & Wrekin Council would receive 98% and the Shropshire Fire & Rescue Service 2%. However the Government have not clarified whether this will be with effect from the 2019/20 or 2020/21 financial years or how this system will operate.

However the Government have made it clear that they will not merely pass the additional funding to councils to make up for the cuts to our grants but rather, they will pass additional responsibilities to councils so that the transfer is fiscally neutral at both a central and local government level.

What is very unclear at present is what additional responsibilities will be transferred and how much additional risk the Government are seeking to transfer for demand led services as well as 100% of the risk that relates to the collection of business rates which is likely to decrease during economic downturns when demand for many of our services also tends to increase.

Appeals against business rates are currently a significant issue as the Government’s Valuation Office Agency takes a considerable period of time to process appeals. Currently around 2/3 of the total rateable value in the borough is subject to appeal. The Council has to estimate what proportion of these appeals will be successful and to what extent successful appeals will reduce the rates collected. Transferring 100% of business rates income to councils potentially doubles this exposure to the risk of appeals against Valuation Office Agency decisions on rateable values. The revaluation of the rateable value of all business premises that comes in to effect from April 2017 will result in further appeals which can take years for the Valuation Office Agency to determine and result in very significant back-dating costs in respect of successful appeals.

The Government have also said that as part of their reform of local government funding they will also review the allocation of resources across the country taking in to account the need to spend on council services which should take in to account factors such as the population age profile of different areas and socio-economic factors. This review will also consider what resources are available locally to fund this assessed need to spend from council tax and business rates. It is therefore possible that some significant changes to the allocation of funding between parts of the country may occur which will probably be effected through changing the distribution of remaining revenue support grant and by changing the complex system of tariffs and top-ups within the business rates retention system. The Government

would probably seek to phase in significant changes through a new damping mechanism with a system of floors and ceilings to limit the year on year changes to a maximum percentage adding another layer of complexity to an already very opaque system.

This Council will however continue to take every opportunity through official consultation processes and other opportunities as they arise to lobby for a fair funding settlement for Telford & Wrekin residents. Despite some improvement recently the Council still has a significantly lower spending power per household (£1648.54 in 2017/18) than the national average (£1804.84). The Council is, however, pleased that the average reduction locally between 2016/17 and 2017/18 of 0.4% is better than the national average reduction of 1.14%. This still leaves the Council significantly below national average spending power although an adjustment for the costs of fire services needs to be recognised but is not easy to ascertain from the Government's published figures. Detailed responses to all official consultation opportunities offered by the Government to date have been sent by the Council but it now appears very unlikely that any significant methodology changes will be implemented by the Government until the fundamental changes required as part of the move to the much publicised 100% business rates retention system are implemented in either 2019/20 or 2020/21.

The Council will also send a response to the provisional settlement which will be agreed by the Cabinet Member for Council Finance, Partnerships and Commercial Services. This response will inevitably have to draw attention to the wholly inadequate funding for Adult Social Care. The Local Government Association and other national commentators, as well as many councils have consistently drawn attention to the pressures facing this service. Adult Social Care is the largest council service and therefore in the face of continuing cuts to our grants has to make savings. Where-ever possible these will be efficiency measures rather than cuts to services as we will always meet the assessed needs of individuals.

The Government's proposal to allow additional funding to be raised from increasing the Adult Social Care precept more quickly than it had previously assumed simply transfers the cost of funding this essential service from national tax receipts to local council tax payers. It also favours areas that already have higher levels of council tax and/or higher value properties as a 1% council tax increase clearly raises more in these areas than in Telford & Wrekin which has a comparatively low rate of council tax and where the average property is in Band B compared to Band D nationally. Areas with higher value housing stock also tend to have lower levels of need as they tend generally to have healthier and wealthier populations with a consequent increase in the number of "self-funders" and fewer people requiring care and support for as long as in more deprived areas. The new one-off (2017/18 only) Adult Social Care Support grant does

reflect need to spend although this is based on data that is at least 5 years old but it does not compensate areas that have less ability to raise additional income from a 1% additional council tax increase which may be easier for residents in wealthier parts of the country to afford, on average, than in areas with relatively low income levels.

Other key decisions to be taken by the Government as part of their overall funding review will include what proportion of growth from business rates income will be retained locally by tariff authorities, how often future resets will be undertaken and whether these are full or partial resets. Whether appeals will be managed solely at a local level or not. Whether councils would still benefit from a safety net system should they see an excessive decrease in rates income. How the needs formula will operate and the balance between the conflicting needs for as great a level of accuracy as possible against having as simple and transparent a system as possible.

A number of consultation papers have already been issued by the Government relating to aspects of this funding reform process which is broadly welcomed by the Council which has, as explained above, responded at all opportunities to date to ensure that our views are considered by the Government. Clearly the Council will continue to respond at all future opportunities to make its case for a fair deal for Telford & Wrekin. However, at present there is very considerable uncertainty about how the new system will impact on the Council and even whether it will be implemented within our current medium term planning horizon (i.e. in 2019/20) or not.

This high degree of uncertainty does nothing to assist with medium term service and financial planning. Despite the Government's offer of 4 year grant settlement this only relates to Revenue Support Grant which represents an ever-decreasing proportion of our total funding. Projections of what the council's budget gap might be in 2019/20 and beyond are currently extremely difficult and will be refined as and when additional information becomes available.

10.6 New Homes Bonus

The future operation of the New Homes Bonus scheme was subject to consultation in December 2015. The outcome of this consultation was not announced until a year later as part of the Provisional Local Government Finance Settlement on 15 December 2016 and the following significant changes are proposed:

- Funding is reduced by £241m in 2017/18 (this funding will be diverted to the new Adult Social Care Support Grant – see below).
- The number of years for which legacy payments are made will be reduced from 6 years to 5 years of payments in 2017/18
- This will reduce further to 4 years worth of payments from 2018/19 onwards
- From 2018/19, the government will consider withholding payments from local authorities that are not “planning effectively, by making

positive decisions on planning applications and delivering housing growth”

- There are no plans to withhold payments for areas without a local plan in 2017/18; however this will be revisited in 2018/19
- The intention for a further consultation was announced regarding withholding payments for homes that are built following an appeal
- A national baseline of 0.4% of the council tax base for 2017/18 will be introduced, below which the bonus will not be paid as the Government has assumed that this reflects a percentage of housing that would have been built anyway. This baseline may alter in future years.
- The local growth, in terms of numbers of properties, above the baseline is then multiplied by the national average band D council tax for 2016/17 (£1529.56) to give the actual grant entitlement. An additional bonus of £350 for each affordable home is payable and is outside the baseline.
- 2017/18 allocations have been announced along with indicative allocations for 2018/19 and 2019/20 (which may alter pending any further changes to the scheme and actual housing numbers). As the indicative allocations are simply calculated as a percentage of the NHB control totals using the 2017/18 total payment as a basis, authorities could see significant variances between these and the eventual allocations they receive in future years. Indicative Amounts for Telford & Wrekin announced are:-

2017/18	£6.458m
2018/19	£4.937m
2019/20	£4.737m

Clearly these show a significant reduction in the benefit from New Homes Bonus although it is still expected to remain a significant source of revenue in future years.

10.7 Local Government Finance Settlement

In the 2016/17 settlement indicative Revenue Support Grant figures were also included for the following three years. The Government offered councils that submitted an acceptable “Efficiency Strategy” a firm 4 year grant settlement. This Council submitted its efficiency strategy and received confirmation that we are eligible for this 4 year grant settlement during November. To some extent this assists with medium term financial planning. However, it has to be recognised that the 4 year offer only relates to Revenue Support Grant which represents an ever decreasing proportion of our total funding.

Despite persistent requests from across the local government community over many years for an early settlement so that effective financial planning can be undertaken, the provisional settlement was not announced until 15 December 2016. This late announcement makes planning and forward projections extremely difficult and compresses the time available for consultation. As expected this settlement will force the Council to continue to make cuts on an unprecedented scale as it has a legal duty to set a “balanced budget”. Whilst it is a provisional settlement with final proposals due to

be announced in late January or early February, there is little prospect of any significant improvement in the final settlement.

Whilst the Comprehensive Spending Review and Autumn Statements set the strategic financial overview for the Government as a whole over the medium term, the provisional local government finance settlement sets out the specific proposals affecting local government for 2017/18 with details for each council being provided. Key issues for the Council include:-

- A period of consultation will be held on the provisional settlement until 13 January 2017 with a final announcement not being made until late January or early February 2017. The Cabinet Member for Council Finance, Partnerships and Commercial Services will respond on behalf of the Council.
- When the 2016/17 settlement was announced social care authorities were allowed to include a Social Care Precept of 2% per annum for the 4 years, up to and including, 2019/20. The settlement announced that local authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19 - so providing funding earlier than previously anticipated - but cannot exceed 6% in total over this three year period. To ensure that income from the precept is used for adult social care, council's will be required to publish a description of their plans; further, those using the extra freedom to raise their precept by 3% must also show how they plan to use the extra money to improve social care.
- The referendum limit for unitary authorities has been adjusted in line with the Social Care Precept flexibility above: 2% core threshold plus a maximum of 3% social care precept for 2017/18.
- As mentioned above, changes to New Homes Bonus were also confirmed as part of the settlement announcements. The changes have allowed £240m to be diverted from New Homes Bonus to a new "**Adult Social Care Support Grant**". The allocation for Telford & Wrekin Council, based on the adult social care relative needs formula is £0.778m in 2017/18. This is a one-off benefit in 2017/18 only.
- Within the business rates retention system the NNDR baseline and top up/tariff amounts have been amended in the settlement to reflect the impact of the 2017 Revaluation. The adjusted amounts are intended to make changes in rateable values revenue neutral for individual authorities. The actual amount of business rates available for the budget strategy will be confirmed when the NNDR 1 form is completed and submitted in January 2017. However, at the time of drafting this report the NNDR 1 form and associated methodology changes are still not available resulting in considerable uncertainty over how much business rates funding will be available next year.
- Similarly, at the time of preparing this report, details of funding totalling over £3m expected for next year have still not been released by the Government and a significant degree of uncertainty over our actual position therefore remains. It is also possible that as this is a provisional settlement, the final figures may be better or worse than

currently indicated. Clearly other factors will also change within our own budget as the Council delivers hundreds of services which operate in a dynamic environment so an updated position will be presented to Cabinet on 23 February 2017.

- What is clear, however, **is that, as expected, the Council's Revenue Support Grant has been cut by 25.9% for next year in cash terms.** In overall terms, the settlement information received to the date of drafting this report is broadly as expected and means that the Council will have to continue to make very difficult choices about how it prioritises spending decisions.

10.8 Future projections.

It is very difficult to make accurate projections of the likely budget gap that the Council may face in the years beyond 2017/18 despite the Revenue Support Grant figures provided through to 2019/20. The Council faces many uncertainties, these include the:-

- Impact of successful appeals by ratepayers against the Valuation Office Agency's rateable values,
- Timing of the introduction of the new retained business rates retention system,
- Impact locally of the additional responsibilities that will be transferred to councils as part of the move towards 100% local retention of business rates,
- Impact of the new approach to assessing local needs,
- Impact of the new approach to New Homes Bonus in later years and the further consultations on the operation of the scheme in future announced by the Government
- The detailed arrangements for the "Improved" Better Care fund
- Trend of schools to move to Academy status and the consequent risk of loss of existing and potential council income for a wide range of services to academy chains.
- Whether uncertainty caused as the UK triggers Article 50 will impact on interest rates, business confidence or exchange rates with an impact on the rate of inflation – any of which could significantly affect the Council's medium term financial projections.
- Volumes of activity in demand led services which the Council can not control e.g. the number of children that need to be taken in to care to protect them from harm, neglect or abuse.

However, it is clear that the Council faces further significant grant cuts in both 2018/19 and 2019/20. The 4 year settlement provided the following projections for Revenue Support Grant:-

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
RSG	24.899	18.457	14.147	9.812
% Reduction from Previous	-20.81%	-25.88%	-23.35%	-30.65%

Year				
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It is therefore essential that we now use the best available information to estimate the likely level of budget shortfall in later years so that we can start to plan ahead now. After having delivered almost £100m of annual savings already, it is clear that further cuts will be more challenging so we will start to discuss potential future service options and possible approaches to bridging the gap in these years whilst seeking to minimise impacts on our community with Town and Parish Councils, local community groups, service users, the voluntary sector and other partner organisations.

The Council's budget model includes many assumptions on factors that will impact on the anticipated scale of the budget shortfall that we will face in future years including assumptions on major income streams and spending. Using the best information currently available we currently anticipate that the Council will face the following budget shortfalls over the medium term. These projections will be regularly updated as further information becomes available:-

	2017/18 £m	2018/19 £m	2019/20 £m
Expected budget shortfall before additional pressures or savings but after assumed increases in council tax*	(2.473)	11.042	7.480
Expected cumulative budget shortfall	(2.473)	8.569	16.049

* These figures assume that all savings approved at Council in March 2016 are delivered in full and according to currently assumed timetables. They also reflect the decisions taken at Council in March 2016 for council tax increases totalling 3.2% pa (including the Government's assumed 2% for the Social Care Precept) but are before any further use of one-off resources, additional pressures or savings.

The projections for years after 2017/18 are only intended as a broad indication at this stage for planning purposes and the estimates will be further updated as additional information becomes available.

It is with this medium term focus in mind that pressures and any developments need to be considered. The approach adopted in preparing this strategy has been to maximise ongoing savings as far as possible whilst seeking to approve only unavoidable pressures as these have to be funded from further savings.

11. 2016/17 PROJECTED OUTTURN POSITION

As the Financial Management report also on this agenda shows, excellent financial control is being exercised and good progress is

being made in delivering the overall budget for 2016/17 although there are some areas of significant pressure and the actual outturn will clearly be different as we are only part way through the year. The final outturn may be a better or worse position than that currently shown in the financial management report and it is clearly essential that all Cabinet Members and budget holders continue to exercise tight financial control and to deliver all planned savings. However, it is anticipated that the Council will have some one-off funding available at year end (currently estimated to be in the region of £2.7 - £2.8m) which will be used to support one-off costs associated with the delivery of this medium term service and financial planning strategy and key priority services and investments.

12. SAVINGS PROPOSALS 2016/17 AND LATER YEARS

Appendix 3 includes details of additional savings proposals and pressures for 2017/18. These savings proposals total £1.779m in 2017/18 but their full year impact increases to £2.38m in 2018/19 and by 2019/20 are estimated to generate £2.723m of ongoing savings.

However, Appendix 3 also details additional pressures for additional investment in safeguarding and re-phasing of Early Help & Support savings totalling £5.803m in 2017/18 but reducing to £4.645m in 2018/19 and £4.063m by 2019/20.

Savings net of these pressures and an allowance for the benefit from the savings that will leak to non-General Fund revenue budgets (mainly capital and Dedicated Schools Grant budgets) therefore total a shortfall of £4.024m in 2017/18, £2.265m in 2018/19 and £1.340m by 2019/20.

Further detail is included on the summary sheet of Appendix 3 which also analyses the new savings proposals by the nature of the saving and by Being the Change theme.

13. INVESTMENT IN PRIORTIES

The rigorous review of one-off resources referred to in Section 16.2 below and very good performance in collection of council tax and business rates enables some one-off investments to be funded from available one-off resources.

Investment in Capital Projects

An updated proposed medium term capital programme totalling over £280m is included at Appendix 4 detailing proposed capital investments. These include:-

Pride Programme-

- ❖ Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's

continuing Pride Programme of environmental improvements. This is scheduled over a two year period commencing April 2019.

- ❖ £1m to fund repairs to structures such as bridges and retaining walls in 2017/18 as a further extension of the Pride Programme. Many of these structures are now very old and this will ensure that they remain safe.
- ❖ £1m to fund investment in small scale Pride projects particularly local regeneration projects, over the years 2017/18 and 2018/19. A report detailing how this will be allocated will be brought forward to a future Cabinet meeting.
- ❖ The capital programme for 2017/18 already included £1m for Pride in Your Community Projects. It is now proposed to double this funding so that £2m is available. £1m will be for capital projects and £1m will be available to support revenue projects. The intention is that this funding can be used to make a real difference to local people and solve “small” local issues that cause frustration to our residents. Details of how this funding will be allocated will be brought forward to a future Cabinet meeting.

Other

- ❖ Funding for further investment in NuPlace, the Council's wholly owned housing company of £13.4m. A report detailing proposed use of this allocation will be brought to Cabinet in the near future.
- ❖ A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council's ICT network is robust.

Investment in Revenue Projects.

As well as the above new capital programme investments, it is proposed to use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature. These include:-

Pride Programme

- ❖ Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve pavements across the Borough which is a further extension of the Councils comprehensive Pride Programme of environmental improvements.

Other

- ❖ Safeguarding vulnerable children and adults is our top Council priority. We continue to ensure that services have the financial resources to do this and are making available additional funding of £4.459m for Children's' safeguarding in 2017/18 compared to what was originally planned. We have also set aside funds to provide a £2.5m “draw-down budget” for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. We are also making

£1.344m more funding available in 2017/18 than originally planned for our Early Help & Support services to help phase in the cuts that we are being forced to make.

- ❖ Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
- ❖ £500k of one-off resources will be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
- ❖ In addition £1.5m of one-off resources will be transferred to supplement the Invest to Save/Capacity fund. This will primarily be used to pump prime further “devolution” deals with partner organisations and community groups for example it may be possible to support groups to maintain/improve green space, pavements/walkways etc where this helps to reduce Council expenditure in these areas and/or supports the Council’s “Green Guarantee”. This funding will also support the delivery of cost improvement plans across the Council but particularly in Safeguarding and Early Help & Support.
- ❖ £250k of one-off resources will be earmarked to fund organisation development initiatives. These will ensure that our smaller workforce are properly equipped to undertake their often new and much broader roles as we continue to shrink our workforce.
- ❖ The Council contribution to the Food Bank is now budgeted on an ongoing basis rather than from time limited funding recognising the critical support that this organisation provides to many local people. This represents a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

This is an affordable programme of investment in key priority areas. Much of this funding will help secure additional income or savings for the Council.

14. **OVERALL PROJECTED BUDGET SHORTFALLS**

Bringing the provisionally updated projections of the budget gap and the additional savings now identified in Appendix 3 and the pressures included in Appendix 3 together, the projected remaining shortfall for the next three years is summarised below:-

	2017/18 £m	2018/19 £m	2019/20 £m

Projected Budget Gap (after £6.4m proposed cut to Revenue Support Grant in 2017/18 and assumed savings approved in March 2016 assumed for 2017/18)	(0.692)	12.187	21.563
Less Government assumption of 2% council tax increase relating to adult social care precept *	(1.113)	(2.261)	(3.446)
Less 1.2% council tax increase *	(0.668)	(1.357)	(2.068)
Budget gap after medium term strategy for council tax increases approved at Council in March 2016	(2.473)	8.569	16.049
Add pressures	5.803	4.645	4.063
Less additional savings adjusted for leakage detailed in Appendix 3	(1.779)	(2.380)	(2.723)
Further ongoing savings to be identified	0	(8.750)	(16.000)
Remaining shortfall to be covered from use of one-off resources as part of a planned strategy to deliver a sustainable ongoing budget position.	1.551	2.084	1.389

Notes:-

- * Based on 2016/17 tax base will be updated when the council tax base for 2017/18 is finalised in January 2017. If the Adult Social Care precept was increased by 3% rather than 2% in 2017/18 this would raise an additional £576k to be spent on Adult Social Care services.
- The figures above do not reflect the new Adult Social Care Support grant which is a one-off benefit of £0.778m in 2017/18 as considerable uncertainty remains on other grants which have been assumed but not announced at the time of drafting this report. The overall position will be firmed-up in the February report to Cabinet by which time the Council should have final allocations for all outstanding grants, more certainty over what total income can be expected from retained business rates in 2017/18 and will be able to reflect any additional budget pressures that become apparent over coming weeks.
- The projections assume that all savings approved at Council in March 2016 are delivered in accordance with currently anticipated timescales.
- It is assumed that the additional savings for 2017/18 are implemented. However, this assumption will be revised following the consultation period to reflect any changes that are made in response to comments received.
- Projections for 2018/19 and 2019/20 will need to be refined as further information becomes available.
- The proposed use of £5m of balances over the 3 year period is prudent following the comprehensive review of available one-off resources that has been undertaken.

15. COUNCIL TAX

Council Tax in Telford & Wrekin has historically been low compared to other councils. Appendix 1 is a graph comparing council tax levels across the Midlands region and demonstrates that council tax in this area is the third lowest in the Midlands region at Band D (£1184.21) and is less than 1.2% higher than Dudley which is lowest (£1170.24). Appendix 2 compares our council tax to the other unitary authorities in England and shows that we have the sixth lowest council tax at Band D out of 55 unitary authorities being over £100 less pa at Band D compared to the average.

If Telford & Wrekin Council had levied a council tax at the average level of Midlands authorities (£1315.58 at Band D) in the current year, we would have generated an additional £6.39m p.a.

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

The Council also continues to suffer from a population undercount. We believe that the Office for National Statistics undercounts our population by around 4,000 people which has resulted in a further loss of grant of around £1.2m pa. in recent years.

As well as a comparatively low level of council tax, this area also has comparatively low property values with the majority of our properties being in Council Tax Bands A or B. Whilst this is relatively good news for local residents in terms of their council tax bill and although we appreciate that council tax bills are still a significant cost for local households, it means that we do not have the same scope to generate income from council tax as many other parts of the country where levels of council tax are much higher and average property levels are also higher so a 1% increase raises considerably more per property than it does in Telford & Wrekin.

The Government made some important changes to local government funding last year affecting council tax last year. They announced that they would not provide council tax freeze grants in future. They also announced a new Adult Social Care precept equivalent to a 2% council tax increase and assumed that all “upper tier” councils such as Telford & Wrekin would implement this for the remainder of the Parliament. As part of the budget consultation process last year, three options for council tax increases were consulted on and a decision was taken at

Council in March 2016 that increases of 3.2% (including the 2% Adult Social Care Precept assumed by the Government would be implemented through to 2019/20.

A specific issue that we would welcome residents views on is whether we should now accelerate the implementation of the Adult Social Care precept. In recognition of the extreme pressure facing Adult Social Care budgets the Government has offered councils the opportunity to accelerate the implementation of the Adult Social Care Precept with increases of 3% next year and in 2018/19 rather than their original assumption of 2% in each of the next 3 years. This would equate to a “one-off” benefit totalling £1.77m over the next two years for Telford & Wrekin Adult Social Care service users. Last year the Government assumed councils would implement this new “adult social care precept” and raise council tax by 2% a year for the next four years with this funding being used to help support adult social care services. This precept would be in addition to any normal council tax increase which would not be expected to exceed 2% without holding a costly referendum. Telford & Wrekin applied this precept as assumed by the Government and after extensive consultation with the community during which we received over 4,000 comments we also applied a further 1.2% rise in Council tax to help fund other services. A total 3.2% increase in council tax. As explained above, the Council was set to apply this increase each year for the next three years in order to strike a balance between helping to protect essential services after very significant cuts in our grants from central Government whilst also recognising the financial pressures faced by local people. On 15 December 2016, the Government said that councils can now apply a 3% Adult Social Care precept for the next two years – 1% more than the Council had planned. This would see council tax rise by a total of 4.2% a year for the next two years - including a 6% increase in the precept over two years instead of spreading the increase over three years as currently planned. This would generate around £1.77m one-off additional funding for the Council in total over the next two years but would see council tax bills rise more quickly. However if the Adult Social Care precept was implemented at the currently assumed rate of 2% a year spread over three years, by 2019 this would bring the adult social care precept to the same level. The Council has not altered its original plans but would like to hear whether local people would be willing to pay additional council tax next year to help support Adult Social Care service users. The two council tax options that we are consulting on are:-

- Apply the new 3% Adult Social Care precept in 2017 and 2018, giving a total increase in council tax of 4.2% for the next two years (74p per week in 2017/18 and 78p per week in 2018/19 for the average Band B property). In 2019/20, council tax would rise by 1.2% (23p per week for the average Band B property). This would give the Council an additional £1.77m in total over the next two years to help support Adult Social Care services.

- Spread the Government assumed 2% Adult Social Care precept over three years as currently planned instead of two and apply the Council's planned increase in council tax of 3.2% a year (an increase of 57p per week in 2017/18, 58p per week in 2018/19 and 60p per week in 2019/20 for the next 3 years for the average Band B home).

16. BASE BUDGET, BALANCES AND CONTINGENCIES

16.1 Base Budget

A summary of the Base Budget position is included at Appendix 10 which shows a net base budget of £117.091m for 2017/18 before savings and investments giving a base budget funding surplus of £2.473m – before the pressures flagged above and detailed in Appendix 3 are reflected. Appendix 11 includes an analysis of the main changes in moving from the 2016/17 budget to the 2017/18 base budget.

16.2 Balances

Appendix 5 summarises the overall reserves and balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This currently shows around £15.85m available which could be taken in to account as part of medium term budget strategy considerations. However, this figure excludes the currently projected underspend in the current financial year as reported in the Financial Management report also on this agenda as this position will change before the end of the year. Any available underspend at year end will be used to fund priority investments and to support the delivery of the ongoing savings that the Council must make in later years.

A rigorous review of all reserves, provisions and balances has been undertaken. This has benefitted from very good collection for council tax and business rates in recent years which has resulted in additional funding accumulating in the collection funds which can now be released. The Government's temporary relaxation of the rules for using capital receipts has also enabled some one-off funds to be released. The Government have offered Councils the ability to fund the one-off costs of service reform projects from new capital receipts generated during a three year period commencing from 1st April 2016. This has enabled some funds previously committed to fund one-off invest to save initiatives and severance costs etc to be released but will result in higher levels of debt than would have otherwise been the case and therefore higher debt charges than would otherwise have been the case as all capital receipts would otherwise be used to fund planned capital projects. However, whilst the debt charges are ongoing they will be more than offset by the ongoing savings generated from the invest to save measures. In order to take advantage of this flexibility

Full Council would need to approve an updated “Efficiency Strategy” before the start of the 2017/18 and 2018/19 years.

The funding released from this review will be used to support the delivery of the medium term service and financial planning strategy as set out in this report and to fund some one-off investments.

16.3 Risk Management

As an organisation which provides a vast range of different services to the community and spends in excess of £400m per annum, the management of risks is an important consideration in the budget setting process. The Council has a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council’s priorities and may also have a financial impact. This is regularly reviewed by Senior Management Team to manage risks and mitigate potential exposures both as part of everyday business and as part of decision making processes. The budget for 2017/18 also includes a number of risk-mitigating elements:

- Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough and is committed to an investment programme which will safeguard the prosperity of the borough – growth will result in additional council tax, new homes bonus and business rates pending any major changes to the system including the proposed introduction of 98% retention of business rates.
- A key focus of the budget is on income generation, thus reducing the Council’s reliance on Government Grant in the future. All proposals are subject to a rigorous business case development process to manage and mitigate risks as far as possible.
- An Invest to Save and Capacity Fund and a Partnership Capacity Fund are in place to provide additional resources for priority areas and to assist with the delivery of savings, again bids are subject to a rigorous business case development process.
- Although very challenging, many savings have been phased over a number of years to allow adequate time for full consideration, consultation and implementation.
- The Council has a comprehensive employee restructuring programme which is used consistently and supported by clear, costed rationales to support reductions in ongoing costs whilst maintaining the delivery of essential services and minimising compulsory redundancies as far as possible.
- Contingencies have been built into the budget: a general contingency of £2.776m; and additional one-off ring-fenced funding for Early Help & Support of £2.5m.

- £4.459m investment in to Children's Safeguarding in 2017/18 to support Looked After Children
- A robust monitoring regime is in place to identify any adverse variances early so that corrective action can take place. Additional in year savings targets have been delivered in recent years to meet service pressures.
- The projected financial position for 2016/17 currently shows an underspend which will be available to support the 2017/18 budget strategy and the delivery of future savings.
- The Council has General Fund balances as a safeguard against unforeseen costs (prior to any increase as a result of the anticipated favourable outturn for 2016/17). As explained in section 16.2 of this report a rigorous review of reserves and balances has been undertaken which has released a considerable sum. This will be used to support the medium term service and financial planning strategy and to fund some one-off investments as well as creating an additional one-off contingency of £6.9m to provide additional assurance that this is a robust medium term strategy.
- In extreme emergency circumstances, general balances and some other funds that have been set-aside for specific purposes could be used and then replaced as part of a future strategy.
- The Council holds £11.92m set aside for one-off costs associated with the equal pay settlement. This is a significant sum which will be reviewed as modelling work on the likely settlement is firmed-up.
- Capital programme resources are available, in accordance with the Prudential Code of Borrowing and capacity may exist to capitalise expenditure planned to be funded from revenue in extreme circumstances.
- There is an effective Treasury Management Strategy which aims to maximise returns for the Council while minimising risks with a solid track record of exceeding targets set.
- Appropriate insurance arrangements are in place to safeguard the council's assets and protect against liabilities.
- Financial advice and support is provided by professional and experienced in-house finance staff, drawing on external knowledge for specific projects where appropriate.
- All reports considered by SMT and Cabinet are required to include financial and legal comments prepared by suitably qualified officers to ensure that financial and legal implications are clearly understood before decisions are taken.

These factors together with the Council's long track record of effective financial management over what has been an exceptionally challenging period of austerity, which is unprecedented both in scale and duration,

provide comfort that the Council is in a sound financial position despite the further challenges that the Government have now presented with the latest grant announcement.

16.4 Inflation Assumptions and Contingencies

The Council's budget model includes an allowance for pay awards of 1.0% for 2017/18 and 1.5% for 2018/19 and 2019/20. If actual pay awards are lower than this the saving will be used to reduce the savings requirements for these years. If they are higher the Council will need to find further savings. The Chancellor has announced an expectation that public sector pay increases will not be greater than 1% pa, however after 7 years of considerable pay restraint which have seen the pay of council employees cut in real terms by over 20% (and considerably more for the most senior staff) there is a risk that as the economy improves the Council may not be able to retain or attract suitably skilled staff to deliver services in what is now a very challenging environment. This slightly higher provision for potential pay awards is considered prudent given the OBR's estimates for rising inflation during this period following the devaluation of the pound.

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

The base budget for 2017/18 includes a revenue contingency of £2.776m and additional one-off ring-fenced funding of £2.5m for Early Help & Support. Recommendation 7 of this report also creates an additional one-off contingency fund of £6.9m to provide further support if required.

16.5 Single Status

The Council is planning to implement a new job evaluation scheme during 2018/19 to meet the requirements of the single status legislation. An allowance for additional costs arising from this has been built in to the budget for 2018/19 of £1.37m. This includes the cost to the Council of the Government's new national "living"/minimum wage which is expected to be an additional £0.48m pa when fully implemented. This leaves around £0.9m for further costs arising from the implementation of the new scheme. This is after allowing for existing commitments against the funding previously earmarked e.g. to meet the costs of moving away from fixed point grades and some additional payments for social workers to reflect market rates. It is in the context of introducing a local job evaluation scheme that will have a lower on-going cost than previously assumed. In addition to the ongoing budgetary provision £11.92m one-off funding was set aside several years ago to meet any one-off costs associated with implementing the single status agreement.

17. EDUCATION FUNDING – DEDICATED SCHOOLS GRANT

The Dedicated Schools Grant is received in 3 blocks of funding:-

- Schools Block, which is mostly delegated to schools,
- High Needs Block (which funds Special Education needs placements and support, Special Schools and Pupil Referral Units and alternative provision) and
- Early Years Block which funds provision for 2, 3 and 4 year olds.

The DSG allocations for 2017/18 were announced on 20 December 2016 and are based on pupil numbers recorded in October 2016. The total Schools Block DSG before any recoupment for academies is £107.490m, which reflects an increase in pupil numbers of 538. During 2016/17 the Department for Education (DfE) carried out an exercise with each Local Authority to re-baseline the funding blocks to reflect the pattern of planned spending by authorities rather than the DfE allocation. The results of this exercise have been used when calculating the Schools Block and the High Needs Block in 2017-18.

In 2017/18 Telford & Wrekin's per pupil funding amount in respect of the Schools Block is £4,384 compared to £4,456 in 2016/17. The decrease is a result of the re-baselining exercise referred to above, which adjusted DSG allocations according to actual expenditure and as a result increased Telford & Wrekin's High Needs Block allocation with a corresponding decrease in the Schools Block allocation. This decrease in the Schools Block is partially offset by the transfer of the retained duties element of the Education Services Grant (ESG) to the Schools Block in 2017/18. This amounted to £0.4m for Telford & Wrekin. Individual schools funding continues to be protected by the national Minimum Funding Guarantee (MFG) for schools which means that no school's funding can reduce by more than 1.5% per pupil, per year.

The 2017/18 High Needs Block allocation is based upon the 2016/17 re-baselining exercise. Additional funds have then been added to reflect estimated population growth in each local authority. This resulted in a total allocation for Telford & Wrekin of £20.147m, including additional funds for population growth of £330,000.

With regard to the Early Years Block, from September 2017 there is a significant extension to the free provision for 3 and 4 years olds as working families become entitled to 30 hours free provision, a doubling of the current 15 hours entitlement. Alongside this and in the context of significant increases in the minimum (living) wage, early years funding will increase in 2017/18, both in funding per hour paid to local authorities and the number of hours funded. The hourly funding rate paid by the DfE to Telford & Wrekin for 2 year olds will increase from £4.85 to £5.20 and for 3 and 4 year olds from £4.03 to £4.36. The

actual allocations of early years DSG funding in 2017/18 will be based upon data from the January 2017 and January 2018 censuses, but the DfE have provided estimated allocations which amount to over £11m for Telford & Wrekin in 2017/18.

The rates per pupil for pupil premium in 2017 to 2018 will be maintained at their current rates. The total allocation for Telford & Wrekin for 2017/18 has yet to be determined as it will be based upon January 2017 census data, but as an indication, the 2016/17 allocation for Telford & Wrekin's schools (including academies) is £9.5m.

In the 2015 Spending Review the Government announced their intention to remove the ESG general funding rate from 2017/18. Telford & Wrekin received £1.6m in respect of this funding in 2016/17. Following the first stage of the National Funding Formula for schools consultation, they set out their intention to provide transitional funding for local authorities from April to August 2017. After this date, the general funding rate will be removed. The allocation for the ESG transitional grant was announced on 20 December at a rate of £27.50 per pupil for five months, an uplift on the estimate of £20 the DfE announced on 30 November. However, based on the current number of maintained schools in Telford & Wrekin, this results in a 2017/18 allocation of £0.6m, a reduction of £1m compared to 2016/17. The grant will immediately be recouped if any school converts to academy status between April and August 2017, in proportion to the school's pupil numbers and the date of conversion.

The school improvement monitoring and brokering grant was announced on 30 November 2016. This grant of £30 million (pro rata of £50 million per annum) will be allocated to local authorities from September 2017. Local authorities will receive an allocation of at least £1,800 for each maintained school in their authority as at September 2017, subject to a total minimum allocation of £50,000 for each authority. Telford & Wrekin have 54 maintained schools currently so would expect to receive £97k in respect of this new grant, although there has been no final allocation notification.

The DfE have stated that they recognise local authorities will need to use other sources of funding to pay for education services once the general rate has been removed. They intend to revise the school funding regulations to allow local authorities to retain some of the school block funding to cover the statutory duties they carry out for maintained schools but any amount retained will have to be agreed by the Schools Forum. If the local authority and the Schools Forum fail to reach a consensus on the amount to be retained the matter will have to be referred to the Secretary of State.

18. EQUALITY IMPACT ASSESSMENT

Equality Impact Assessment is a tool that is used to ensure our decision making takes into consideration the protected characteristics with regard to the General Equality Duty (GED). In short we must demonstrate that we pay due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations. We need to assess and analyse the practical impact on those whose needs are affected by cuts or changes. We have adopted a proportionate approach that takes into account the relevance of a proposal with regard to equality. This is a measured response recognising that our resources are best aimed at dealing with those proposals that could have the most significant impact. In order to accomplish this we have followed a process designed to screen proposals and ensure that they are fully explored.

An initial scoping exercise to determine which budget saving proposals require action or further investigation with regard to equality impact was completed. For proposals where implications have been identified and are at a sufficiently developed state a proportionate impact assessment has been undertaken. Where a proposal is still at an early stage of development an equality impact assessment will be undertaken during its development.

The 2017/18 proposals that have been identified for further work related to the equality duty are as follows;

No.	Description of Saving	Action
23	Increase in primary school meal prices from £2 to £2.30	Initial Impact Assessment to be completed
25	Review of off-peak ice skating concessions	Initial Impact Assessment to be completed

19. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENT.

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

The environmental assessment detailed in Appendix 7 provides information on the environmental impacts of the additional savings now put forward for 2017/18. Overall, on balance the environmental

assessment of the budget proposals is positive for example as the council will operate from fewer buildings energy use will be lower and lower employee numbers will result in decreased car journeys to and from work and potentially work related journeys as we redesign services and use communication technology differently.

An economic impact assessment has also been undertaken for those proposals that have a significant individual economic impact (and is also included in Appendix 7). Clearly reducing spending by the council will impact on the local economy for example through fewer people being directly employed by the council and less business being placed by the council with local suppliers as spending cuts are made. The Council adopts a proactive business supporting and business winning approach which will reduce the adverse economic impacts caused by the Government's continuing cuts to our grant.

20. COMMUNITY ENGAGEMENT AND COMMUNICATION

In March 2016 Full Council approved our Service & Financial Planning strategy for the two year period 2016/17 to 2017/18. The report set out detailed proposals relating to specific savings and the outcome of extensive public consultation relating to these proposals. The 4 week programme of consultation outlined the high level messages in relation to the Council's financial position, and also sought views on 32 proposals that were likely to have greatest impact on the community. Following approval of the Council's budget in March 2016, consultation on the implementation of these proposals has continued as appropriate, including consultation during the summer relating to the future management of a number of libraries within the Borough. We have also been working closely with a number of community groups and Town and Parish Councils to develop alternative ways of delivering services that it was agreed that the council would no longer deliver.

As outlined above by engaging with residents and other partners it can be possible to find alternative ways of delivering those services that support our community. As we have already agreed a two year budget strategy we have an opportunity to enter into a dialogue about the areas in which we need to make further savings. It is therefore proposed that over the next 18 months we will engage with a range of partners and service users who could assist in developing alternative service solutions in those areas that have potential to impact upon our residents.

Our 2017 approach to consultation and engagement on our budget will include clear communication in relation to where the council intends to spend its budget and highlight any areas for limited new investments. We will identify the areas in which we intend to enter into a dialogue with our community and partners in relation to service re-design or savings that will impact on the community. We will seek feedback on

our approach, and which of two possible Council Tax increases should be applied and will continue to identify those who wish to work with us on developing alternative service solutions.

As in previous years, communicating and engaging with the community on our future plans is an important part of the budget process and the ways in which we will do this are outlined below and in Appendix 6. However, the aim is to build more in depth engagement during 2017/18 involving residents and partners in developing solutions, therefore an important part of our communication plan is to identify those who are willing and able to be part of this process.

The ways in which we will seek views on our proposed strategy are as follows;

- Discussions at a number of specific forums during January, there will also be the opportunity for discussion with other groups during 2017
- Communications campaign including media and social media, updated budget page on the council website, and direct email communication
- Gathering comments and feedback via a wide range of channels including online public suggestion scheme, email, social media, in writing to freepost address and telephone

Comments can be sent to us at the following E mail address:-

yourviewsmatter@telford.gov.uk

Throughout this process will also be gathering contacts of those who wish to be involved in more in depth engagement in relation to savings for 2018/19 and 2019/20.

21. NEXT STEPS & TIMETABLE

The consultation period will run from 6 January 2017 through to 5 February 2017 in order that careful consideration can be given to the views expressed by the Council's Cabinet when preparing their final report and recommendations to Full Council.

The Finance & Enterprise Scrutiny Committee will scrutinise the Administration's budget proposals and should also have the opportunity to scrutinise any alternative budget proposals put forward by Opposition groups prior to Cabinet on 23 February 2017. The Chair of the Finance & Enterprise Scrutiny Committee will present the recommendations of the Committee at the Cabinet meeting on 23 February. The Cabinet will then make their final recommendations to Full Council at this meeting.

Full Council will consider the recommendations from Cabinet and Scrutiny/Opposition Groups on 2 March 2017 when final decisions will be made and the budget and council tax for 2017/18 will be determined.

22. BACKGROUND PAPERS

- LG Futures Autumn Statement briefing – November 2016
- LG Futures Local Government Finance Settlement briefing –December 2016
- BBC News Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Council – 3rd March 2016
- Municipal Journal – 8th October 2015, article by Dan Peters, “Drop in Senior Numbers”.

Report prepared by:-

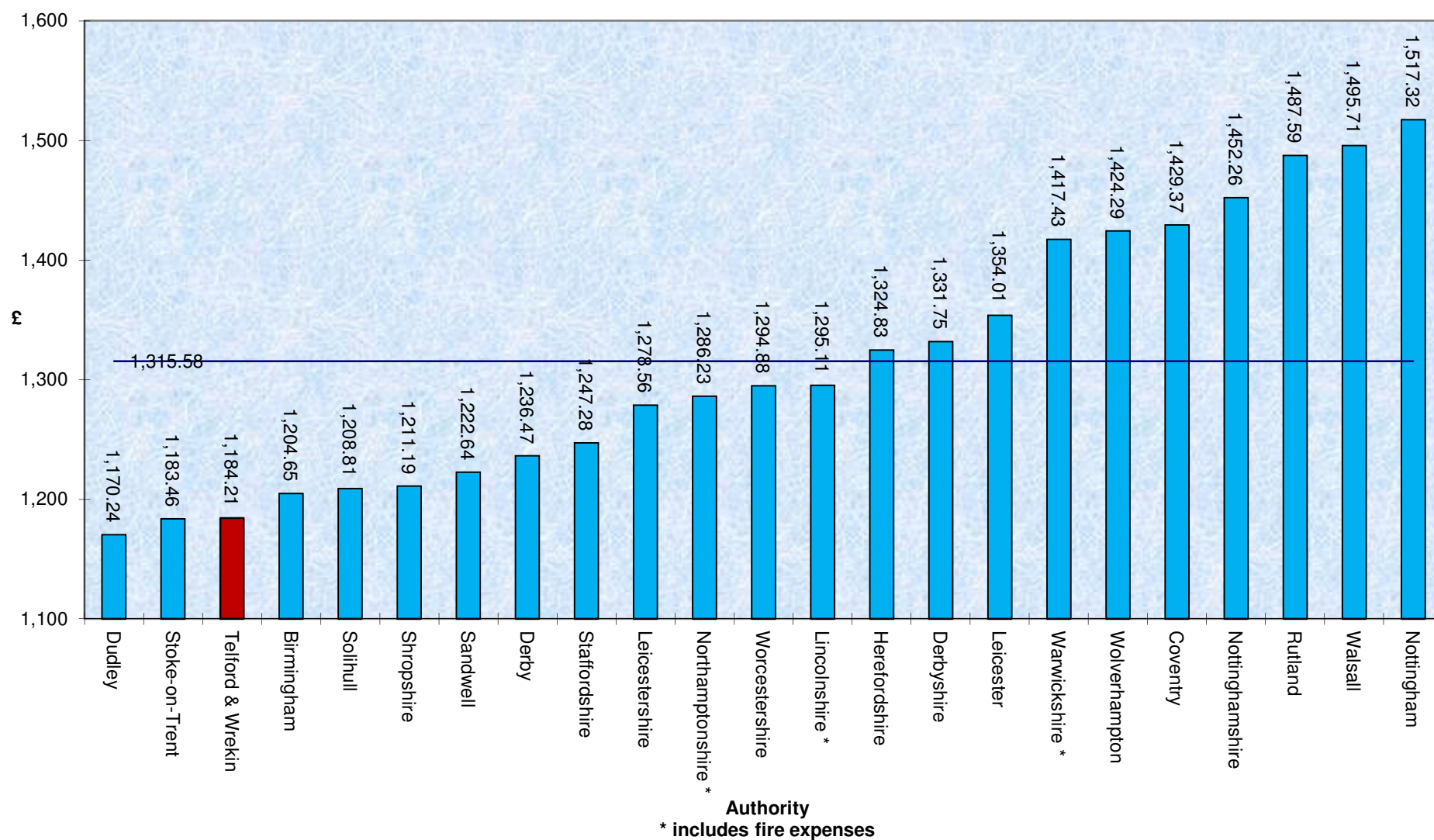
- **Ken Clarke, Assistant Director: Finance & H.R. (C.F.O.) - Tel: (01952) 383100**

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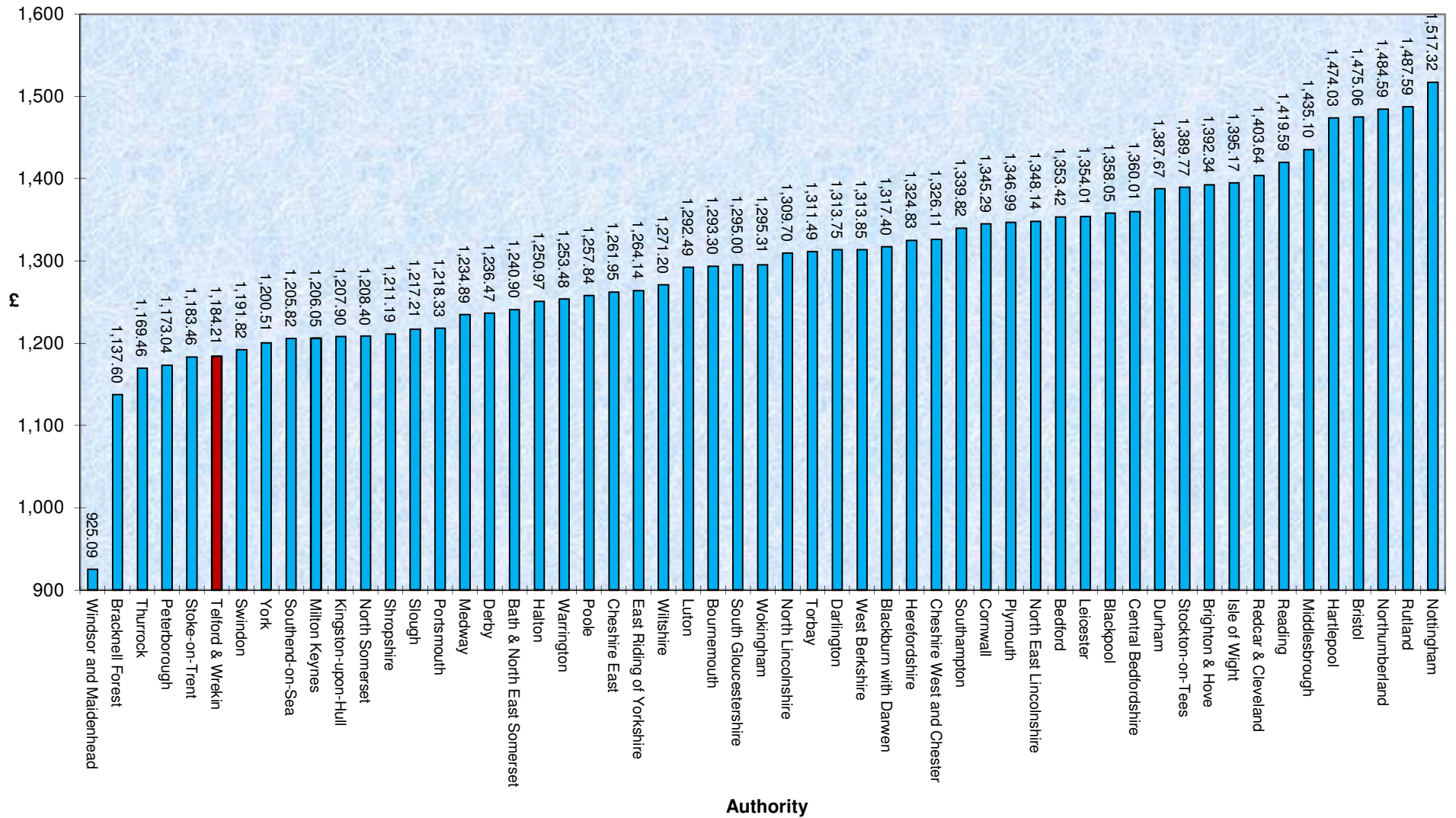
Appendix

- 1 2016/17 Council Tax Comparison (at Band D) – Midlands Councils
- 2 2016/17 Council Tax Comparison (at Band D) – Unitary Councils
- 3 Additional Savings Proposals and Pressures 2017/18
- 4 Capital Investment Programme
- 5 Reserves and Balances
- 6 Communication and engagement plan for January 2017 to March 2017
- 7 Environmental and Economic Impact Assessment on additional Savings Proposals
- 8 Financing costs to net revenue stream 2016/17
- 9 Details of education related Section 106 Agreements
- 10 Base Budget before savings 2017/18
- 11 Analysis of Base Budget Movements

**Midlands Authorities 2016/17 Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)**



Unitary Authorities 2016/17 Band D Council Tax (Excluding Police, Fire and Parish precepts)



APPENDIX 3
SUMMARY OF SAVINGS PROPOSALS 2017/18

Area	Additional Savings Proposed				Pressures Identified				Total Additional Savings Net of Pressures				check
	2017/18 £	2018/19 £	2019/20 £	Total £	2017/18 £	2018/19 £	2019/20 £	Total £	2017/18 £	2018/19 £	2019/20 £	Total £	
Business, Development & Employment	297,537	0	0	297,537	0	0	0	0	297,537	0	0	297,537	-
Finance & Human Resources	220,140	342,370	117,000	679,510	0	0	0	0	220,140	342,370	117,000	679,510	-
Cooperative Council Team	273,760	0	0	273,760	0	0	0	0	273,760	0	0	273,760	-
	791,437	342,370	117,000	1,250,807	0	0	0	0	791,437	342,370	117,000	1,250,807	
Children's Safeguarding	0	0	0	0	(4,459,000)	417,000	(21,000)	(4,063,000)	(4,459,000)	417,000	(21,000)	(4,063,000)	-
Early Help & Support	0	0	0	0	(1,344,000)	741,000	603,000	0	(1,344,000)	741,000	603,000	0	-
Education & Corporate Parenting	0	41,667	0	41,667	0	0	0	0	0	41,667	0	41,667	-
Legal, Procurement & Commissioning	240,905	51,767	100,000	392,672	0	0	0	0	240,905	51,767	100,000	392,672	-
	240,905	93,434	100,000	434,339	(5,803,000)	1,158,000	582,000	(4,063,000)	(5,562,095)	1,251,434	682,000	(3,628,661)	
Health & Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0	-
Customer & Neighbourhood Services	329,160	0	0	329,160	0	0	0	0	329,160	0	0	329,160	-
Commercial Services	444,184	175,200	130,825	750,209	0	0	0	0	444,184	175,200	130,825	750,209	-
	773,344	175,200	130,825	1,079,369	0	0	0	0	773,344	175,200	130,825	1,079,369	
Total	1,805,686	611,004	347,825	2,764,515	(5,803,000)	1,158,000	582,000	(4,063,000)	(3,997,314)	1,769,004	929,825	(1,298,485)	
Cumulative	1,805,686	2,416,690	2,764,515		(5,803,000)	(4,645,000)	(4,063,000)		(3,997,314)	(2,228,310)	(1,298,485)		
Leakage	(27,085)	(9,165)	(5,217)	(41,468)					(27,085)	(9,165)	(5,217)	(41,468)	
Cumulative less leakage	1,778,601	2,380,440	2,723,047	2,723,047					(4,024,399)	(2,264,560)	(1,339,953)	(1,339,953)	
Check totals	-	-	-	-	-	-	-	-	-	-	-	-	

Summary of Additional Savings by Type - 2017/18, 2018/19 and 2019/20

Area	Funding	Income	Staffing	Non-Staffing	Procurement	Property Rationalisation	Service Review/Redesign	Total
	£	£	£	£	£	£	£	£
Business, Development & Employment	-	-	-	-	-	-	297,537	297,537
Finance & Human Resources	-	12,000	517,510	150,000	-	-	-	679,510
Cooperative Council Team	-	-	161,460	112,300	-	-	-	273,760
Children's Safeguarding	-	-	-	-	-	-	-	-
Early Help & Support	-	-	-	-	-	-	-	-
Education & Corporate Parenting	-	-	-	-	-	-	41,667	41,667
Legal, Procurement & Commissioning	-	-	91,810	300,862	-	-	-	392,672
Health & Wellbeing	-	-	-	-	-	-	-	-
Customer & Neighbourhood Services	-	-	195,240	133,920	-	-	-	329,160
Commercial Services	-	424,769	105,990	147,000	-	-	72,450	750,209
Overall Total	-	436,769	1,072,010	844,082	-	-	411,654	2,764,515

Summary of Additional Savings by Efficiency Theme - 2017/18, 2018/19 and 2019/20

Area	A Solving Problems and Promoting Social Responsibility and action to manage and reduce demand for services	B Challenging and changing, reviewing and re-imagining how 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	E Service Cut - the service will no longer be delivered by the Council or through any other delivery arrangement	Total
	£	£	£	£	£	£
Business, Development & Employment	-	297,537	-	-	-	297,537
Finance & Human Resources	-	517,510	12,000	150,000	-	679,510
Cooperative Council Team	-	161,460	-	-	112,300	273,760
Children's Safeguarding	-	-	-	-	-	-
Early Help & Support	-	-	-	-	-	-
Education & Corporate Parenting	-	41,667	-	-	-	41,667
Legal, Procurement & Commissioning	-	282,000	-	-	110,672	392,672
Health & Wellbeing	-	-	-	-	-	-
Customer & Neighbourhood Services	-	329,160	-	-	-	329,160
Commercial Services	-	-	424,769	325,440	-	750,209
Overall Total	-	1,629,334	436,769	475,440	222,972	2,764,515

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	Additional Savings			Total Ongoing Saving	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
					2017/18	2018/19	2019/20							
					£		£	£						
Managing Director: Richard Partington														
Business, Development & Employment														
1	Service Review/Redesign	B	Saving from early delivery 16/17 & 17/18 - i.e.overdelivery against 17/18 targets	No	297,537			297,537	Various	Savings from over delivery of 16/17 and 17/18 savings targets	Predominantly from over delivery of PIP income targets in 16/17 and 17/18	None	Significant benefits for other services including BIT, engineering, facility management to benefit through design and build and ongoing property management	Downturn in market, failure to achieve income targets due to voids. Investor market is strong - mitigate risk through robust business cases for investor. Opportunity to diversify and strengthen PIP
Total Business Development & Employment					297,537	-	-	297,537						
Finance & HR														
2	Staffing	B	Fundamental Service Review and Restructure across the whole of Finance & Human Resources	No	54,000	342,370	117,000	513,370	Pauline Harris/Tracey Smart/Julie Pugh/Sophie Lane/Sue Wilson	Reduction in staffing budgets is the only option to make savings. This will be achieved through a combination of service re-design and some service cuts. This includes more automation following the implementation of the new payroll system and maximising the use of Agresso by service Managers..	Limited directly but may be delays in responding to FOI and other requests and from debtors	The proposal will require a service area wide restructure and significant reduction in the number of employees. The restructure process includes a consultation period and every effort will be made to redeployee employees where possible.	Unable to provide as much support to as many services and projects and less "hands on" support to Managers. The level of service/support currently provided will reduce/change Finance support needs to be focussed on supporting business change and delivery of savings, managers will be more responsible for routine budget management.. Less HR advice will be available to support managers but will be focussed on the most challenging cases that pose the greatest risk of employment claims being brought against the Council. Collection rates for council tax and business rates income and sales ledger debt will have to be closely monitored to ensure that savings on staff costs do not impact significantly on current reasonably good collection rates.	Care must be taken to ensure that the appropriate strategic financial control is maintained and external audit costs do not increase to offset the savings and the Council's reputation for sound financial management and financial support to key projects is not compromised too much. Careful re-design of processes is key to ensuring risks are mitigated. There is an increased likelihood of late provision of information, such as FOI requests, and reduced opportunity to seek out additional income opportunities/support managers in new initiatives. Reduced HR support may impact on risks of employment tribunal/settlement costs if issues are not dealt with appropriately at an early stage. There is a risk that collection rates for debts may be impacted. To help mitigate a new HR/Payroll system will go live in 2017, resources will be aimed at highest risk/value added areas and managers will be encouraged to self-serve as much as possible with initial training and support provided.
3	Staffing	B	Reduction in PA support team budget	No	4,140			4,140	Ken Clarke	Residual budget following previous staffing changes	Nil	Nil	Nil	Nil
4	Income	C	Increased income from trading with schools	No	12,000			12,000	Tracey Smart	Income from additional work being done and anticipated for schools	Nil	Nil	Will represent a cost to school budgets.	There is already a high dependency on income from schools in the finance team. We will have to maintain high service standards and remain competitive if we are to retain and grow this income further.
5	Non-Staffing	D	Review of accounting policies including capitalisation of interest for projects which are not complete at year end and benefits from active treasury management	No	150,000			150,000	Pauline Harris	Review of accounting policies that may generate a revenue saving e.g. where capital projects are underway but not complete at year end our policy would be to capitalise the interest costs relating to any borrowing rather than making a charge to revenue.	Nil	Nil	Nil	Debt levels would be higher than if interest costs were charged to revenue account.
Total Finance & HR					220,140	342,370	117,000	679,510						
Cooperative Council														
6	Staffing	B	Staffing restructures in CPT and ODD to realign services to meet changing needs of organisation.	No	161460			161,460	Jon Power/Rachael Jones	Restructure of Organisational and Delivery and Community Participation Teams in order to review services delivered by teams to support changing needs of the organisation, full savings to be delivered in 2017/18	Potential for positive impact on Community as increased resources to support community capacity building activity	Fundamental refocusing of roles and job descriptions, net change in number of posts increase of 0.47 FTE	None	None
7	Non-Staffing	E	Unallocated funding as result review corporate grants 2015, agreed in budget strategy 2016/17	Yes - completed	112,300			112,300	Rachael Jones	Review of corporate grants carried out 2015, saving relates to unallocated funding. Separate funding of £100k has been set aside for capacity building voluntary sector, proposed £95,300 unallocated from 2016/17 added to give fund of £195,300.	None	None	None	None
Total Cooperative Council					273,760	-	-	273,760						
TOTAL SAVINGS RICHARD PARTINGTON					791,437	342,370	117,000	1,250,807						
Director: Clive Jones														
Education & Corporate Parenting														
8	Service Review/Redesign	B	As part of changes to education funding arrangements, to seek agreement from schools to fund some services as part of a collective top-slice from school budgets in 2017/18	Yes - with schools	158,333	41,667		200,000		Opportunity arising as part of changes to the education funding arrangements.	To be confirmed following discussions with schools	To be confirmed following discussions with schools	To be confirmed following discussions with schools	To be confirmed following discussions with schools
9	Service Review/Redesign	B	Savings not delivered in 2017/18		(158,333)			(158,333)		N/A	N/A	N/A	N/A	N/A
Total Education & Corporate Parenting					-	41,667	-	41,667						
Legal, Procurement & Commissioning														
10	Staffing	E	Audit, IG & Insurance - Service Review	No	43,043	48,767	0	91,810	JE	Audit, Insurance & Information Governance Services Service reduction	Less oversight of the governance of the organisation	If the proposals as planned are delivered there will be no impact upon auditors (although the management of the team will transfer to Governance and the oversight of audit reports will be affected by the deletion of the Audit, IG, Insurance & Investigation Services SDM post – the most senior auditor).	Teams across the Council will have to take on more responsibility for ensuring compliance with processes and procedures. The ability of the audit team to support internal investigations will be affected as the team will be cut from 3fte to 1fte. Insurance services will lose capacity and will be reduced to 1 fte. IG will lose capacity and will require teams to work on their own ombudsman complaints in the first instance. Teams will have to ensure compliance with IG procedures and implement legislative changes to IG processes in 18/19 which will be onerous	None
11	Non-Staffing	E	Audit, IG & Insurance - Cost Savings	No	6,730	0	0	6,730	JE	Savings - principally on training and development	None	Less well trained staff	None	None
12	Non-Staffing	E	Procurement & Brokerage - Cost Savings	No	2,000	3,000	0	5,000	SB	Savings - principally on training and development	None	Less well trained staff	None	None
13	Non-Staffing	B	SLA budget - Commissioning	No for 2017/18; may be required for 2019/20 saving	182,000	0	100,000	282,000	LT	In the first instance this has been identified as BCF spend and budget allocated from existing funding not currently allocated. Year 19/20 savings will come from a change in the way that the voluntary sector is funded	Support will be provided to enable the voluntary sector to secure sustainable alternative funding.	None identified yet	This could potentially put pressure on the demand for statutory services in children's and adults services	There needs to be a wider conversation about commissioning as part of longer term planning because these proposals significantly reduce capacity in the commissioning teams.
14	Non-Staffing	E	TAMHS grant - cease	No	7,132	0	0	7,132	LT	This service is no longer provided	None	None	None	None
Total Legal, Procurement & Commissioning					240,905	51,767	100,000	392,672						
TOTAL SAVINGS CLIVE JONES					240,905	93,434	100,000	434,339						
Director: Jonathan Rowe														
Customer & Neighbourhood Services														
15	Non-Staffing	B	Review of budgets across Customer services	No	5,000			5,000	Lee Higgins	this is a line by line review that will allow us to further reduce the remaining revenue budgets left in customer services	None	None	None	None
16	Non-Staffing	B	Reduction in mystery shopping budget as now undertaken in house	No	18,000			18,000	Lee Higgins	We have reduced our number of mystery shopper exercises and now use more 'volunteers' so we can reduce this budget accordingly with no major impact	Employ volunteers as mystery shoppers	None	Community Engagement Team still essential in helping to run this programme	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
17	Staffing	B	Restructure of Customer Services and Benefits	No	158,240			158,240	Lee Higgins	The restructure proposals have already been launched so that this savings will be delivered early in the spirit of one restructure to help mitigate impact on morale of constant restructures	Will lead to more customers being nudged to use digital access channels for contact and longer term not providing face to face for some customers e.g. landlords. Channel shift should help to protect current performance levels in the contact centre	Structure already launched and out for consultation	No impact	Channel Shift essential along with promotion of all new digital access channels and some decisions not to offer face to face services where appropriate for some services
18	Non-Staffing	B	Retain the provision for enhanced winter maintenance services during significant Snow events as per winter maintenance policy, but to fund from contingency if events happen and not continue to fund from Revenue Budgets	No	45,000			45,000	Dave Hanley	Additional funding was provided for the enhanced level of winter maintenance for the last few years the winters have not been as harsh leading to a small underspend in the service. As a result the proposal is to remove the 'revenue' budget, still continue to provide the enhanced service and during a harsh winter if winter budgets are stretched the service will call on the corporate contingency pot for that year to continue the service.	None	None	None.	We have 244 Snow wardens who can be deployed (pending their individual availability) to assist and we will be working with Rachel Jones and her team to extend volunteering for both snow wardens, street champions and potentially to help with drainage and flooding
19	Non-Staffing	B	To retain the commitment to support partnership deployment of flood barriers , but to reduce revenue funds to equate with average costs experienced over recent years and to use corporate contingency if required during exceptional levels of rainfall.	No	20,000			20,000	Dave Hanley	The flood barriers in the Gorge have not been installed as frequently over the last 4 years and therefore we believe we can reduce the budget by 20K and still provide the level of resilience required in times of flooding	Limited impact based on the last 4 years of trend data looking at how often the flood barriers have had to be installed.	Reduced payments to staff who have to go out of hours to install and oversee the barriers while in operation	None	The councils corporate contingency budget will be accessed to ensure flood barriers are always implemented as required in times of unprecedented rainfall if current revenue budgets are spent
20	Non-Staffing	B	Removal of R & M budgets for bus shelters	No	30,000			30,000	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None but may put strain on our capital programme	None	None	None
21	Non-Staffing	B	Removal of the revenue budget for traffic surveys budget and use capital as required	No	15,920			15,920	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None but may put a strain on our capital programme	None	Impact on the Highways Capital Programme	None
22	Staffing	B	Restructure of Corporate Communications Team	No	37,000			37,000	Nigel Newman	This is a reduction in posts within the corporate comms team and reflects the 12% across the board savings required. We believe we can deliver this savings through more generic officers working in comms e.g. all working on social media, pr and internal comms	None	Yes would reduce in a reduction in posts within the comms team achieved by sharing the internal comms role across a wider group of staff through a move to more generic working	May impact on the ability to meet the full needs of internal services to market their offer	still being considered
Total Customer & Neighbourhood Services					329,160	-	-	329,160						
Commercial Services														
23	Income	C	Increase primary school meal prices from £2 to £2.30 over a 3 year period	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	40,000	40,000	40,000	120,000	Loma Hicks (Stuart Davidson)	School meal price hasn't changed for paid meals for 3 years. Free School Meals are charged at £2.20 so an increased charge over a 2 year period would bring this in line by 18/19. A further increase to £2.30 by 2019/20 is considered reasonable, as a cost of £2.30 is comparable with other providers.	Could impact on families that are on the border of being unable to claim free school meals (FSM) and could result in a loss of paid meals served and parents electing for cheaper, less healthy options. Mitigation would involve continued promotion of FSM to try to increase uptake. Schools have already been notified of the first 10p increase for 2017/18 as part of wider discussions about prices for School Catering. Parents will be advised of the price increase along with the new menus in the Spring Term prior to implementation in April 2017.	No direct impact	None	None
24	Income	C	Extend swimming lesson programme	Y	15,500	8,500	0	24,000	Mark Moore (Stuart Davidson)	Based on current performance it is considered that there is potential to generate additional income from an expansion of the lesson programme.	The majority of the proposed expansion would not be controversial or lead to significant loss of public or club swimming. Consultation will only be required with specific groups who are affected by programme changes. Pool programmes are revised on a termly basis and any groups impacted upon will be written to and invited to a meeting to give them the opportunity to comment on proposed programme changes and put forward alternatives. This will be done on a site by site basis between January and March 2017 in advance of any changes being implemented after the Easter Holidays	Additional staffing costs have been factored into the projections.	None	This saving is based upon income growth and assumes increased demand to fill additional spaces.
25	Income	C	Review of off-peak ice skating concessions (increase to half non-concessionary rate in 2017/18)	N in 17/18 (part of annual pricing review)	4,929	2,000	0	6,929	Mark Moore (Stuart Davidson)	Benchmarking suggests that our concessions policy is relatively generous. Increasing off-peak skating concessionary prices as proposed is again a comparatively generous concession, particularly as majority of other ice rinks are privately run and do not offer concessions at all. The impact of Club 2000 price review would only impact on Club 2000 members - to enable the club to be supported with this, it is proposed that this price increase does not take effect until 18/19.	Increasing off-peak skating concessionary prices would impact upon concessionary groups and may impact upon health inequalities. Free swimming for children and young people and adult concessionary swimming prices would not be affected. Leisure prices (including ice skating) are reviewed annually through existing delegated authority in consultation with the lead Cabinet member, they are not normally subject to separate public consultation. However, any price changes would be communicated widely to customers in advance of implementation and we would also actively promote the wide range of other leisure concessions available for local residents.	None	None	Decline in participation may reduce level of saving or remove benefit altogether
26	Income	C	Review ice rink hire fees	Y	12,800	7,200		20,000	Mark Moore (Stuart Davidson)	Benchmarking indicates that current Ice Skating lesson prices are cheap compared with other Ice Rinks. It is proposed to increase the charges by 10% in 2017/18 and a further 5% in 2018/19.	Impact limited to those who attend or deliver skating lessons. Leisure prices are reviewed annually through existing delegated authority in consultation with the lead Cabinet member, they are not normally subject to separate public consultation. However, in this case, there are some specific impacts on particular groups and therefore consultation will be carried out with both figure and dance instructors and ice skating customers before reviewing prices in the usual way as part of the annual price review. Affected groups would be notified of the proposed changes in January-February 2017 and invited to meet and share comments or alternative proposals.	None	None	Potential reduction in participation would impact upon level of saving but considered low risk.

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
27	Income	C	Services for Schools price review to improve the profitability of services provided	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	82,000	33,000	33,000	148,000	Chris Goulson/Kirsty King/Stuart Davidson	Initial financial modelling suggests full costs are not always being recovered, therefore prices need to be increased - proposed target is £52k for Cleaning, £35k for Caretaking, £11k for ICT. An additional £50k saving on Primary School Catering budget (contingency) has also been identified, which can be delivered in 2017/18.	None	None	Will impact on schools' budgets, so price increases for these services will be phased in over 3 years to mitigate the impact to schools. Any loss of business from schools could have wider implications for other services, for example if a school decides to move to a new provider for all services. For all services except ICT, schools receive a bespoke written contract update clearly setting out planned price or service changes at least 3 months in advance of implementation. For 2017/18, this information will be sent out in December 2016. Schools then have time to vary or cancel their contract accordingly. For ICT, proposed prices for ICT support are set in consultation with the ICT Schools Governance Board, which includes representatives from a range of local schools. Prices for 2017/18 have already been agreed with the Governance Board.	None
28	Income	C	Improve profitability of Arthog/Arthog outreach	N	18,515	51,500	27,825	97,840	Jo Barnett (Stuart Davidson)	The saving in 2018/19 includes £25k relating to repayment of loan which ceases in 17/18 and this is the release of that element. The remaining saving relates to additional income target from 2017/18 onwards, as analysis of occupancy of Arthog shows that there is scope to increase profitability of the Centre, particularly at weekends.	Positive impact of more people participating in outdoor education activities.	Staffing will need to be increased to maximise occupancy of centre - target relates to net income	None	This saving is largely based upon income growth and assumes increased demand to maximise occupancy.
29	Non-Staffing	D	Additional reductions in black and white printing (build controls into re-tender of MFD) plus additional savings from colour printing in 17/18	N	87,000	30,000	30,000	147,000	Kirsty King	A £32k saving linked to reductions in colour printing was built into 2016/17 budgets, so an additional saving of £87k is proposed for 2017/18 based on us continuing to reduce costs by approx. £10k per month. For 2018/19 and 2019/20, proposal is to reduce black and white printing by an additional 15% in each year, based on current average monthly black and white printing cost of £16.6k.	None	None	None	Proposed reductions in black and white printing are challenging, however the new MFD contract will allow controls to be put in place to facilitate this if needed.
30	Staffing	D	Additional savings arising from 2016/17 review of cleaning specification and associated restructure	N	48,000			48,000	Kate Sumner (Stuart Davidson)	The review of cleaning specification and programme of building closures will achieve a saving of £48k over and above the £110k target.	None	Consulted upon as part of 2016/17 restructure.	None	None
31	Staffing	D	Deletion of 2 posts in biT and creation of 1 higher-level apprentice/graduate post	N	57,990			57,990	Chris Goulson	Saving to be achieved as a result of a VR request and a vacancy. Reduction in capacity can be accommodated due to reduction of BSF work.	None	None	None	None
32	Service Review/Redesign	D	Other savings already brought forward for 17/18 - over delivery against 17/18 targets	N - already consulted on	72,450			72,450	All SDMs in Commercial Services	N/A	N/A	N/A	N/A	N/A
33	Income	C	White label' partnership with established energy price comparison service	Y - market research will be needed	5,000	3,000		8,000	Toni Guest	Proposed model is to partner with an established provider to provide a TWC-branded energy price comparison service with commission being paid on conversions. Model includes legal and marketing costs and assumes 3% of residents participate (similar to that achieved by other local authorities).	This project would encourage local residents/organisations to switch providers and could result in cost reductions.	None/minimal - to be delivered within existing resources	None	Main risk is that participation is lower than anticipated and net income projections not achieved (marketing costs built into the model)
Total Commercial Services					444,184	175,200	130,825	750,209						
TOTAL SAVINGS JONATHAN ROWE					773,344	175,200	130,825	1,079,369						
OVERALL TOTAL SAVINGS					1,805,686	611,004	347,825	2,764,515						
PRESSURES					- 5,803,000	1,158,000	582,000	- 4,063,000						

1,805,686 611,004 347,825 2,764,515

PRESSURES

No.	Service Area	Description	2017/18	2018/19	2019/20	Total	Lead Officer
			£	£	£	£	
Children's Safeguarding							
	Placement Budget & Associated Costs	Placement numbers have increased significantly in 2016/17. Ofsted have confirmed that children and young people are appropriately being brought into care. It is anticipated that numbers will peak and then start to fall back as a result of a number of actions being taken. We are currently working on a multi year (4) action plan and predictive model. This will provide a more accurate assessment of CiC numbers over this period and the expected impact of various actions being taken.	4,459,000	-417,000	21,000	4,063,000	Jo Britton
Total Children's Safeguarding			4,459,000	- 417,000	21,000	4,063,000	
Early Help & Support							
	Costs associated with the provision of Care	Pressure reflecting the latest projections in the current financial management report	1,344,000	- 741,000	- 603,000	0	
Total Early Help & Support			1,344,000	- 741,000	- 603,000	-	
OVERALL PRESSURES			5,803,000	- 1,158,000	- 582,000	4,063,000	

Capital Programme - 2016/17 to 2018/19 & Later Years

Policy Area	Total £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000
Early Help & Support	968	968	0	0	0	0
Development Business & Employment	127,977	29,522	37,357	26,778	11,320	23,000
Customer & Neighbourhood Services	93,761	28,032	28,796	9,499	13,717	13,717
Education & Corporate Parenting	26,150	14,364	2,925	8,861	0	0
Health & Well-Being	1,371	759	153	153	153	153
Co operative Council & Commercial Delivery	301	301	0	0	0	0
Legal Procurement & Commissioning	783	132	527	62	62	0
Finance & Human Resources	14,309	6,099	4,070	4,070	70	0
Commercial Services	17,349	6,747	5,103	2,599	2,900	0
	282,969	86,924	78,931	52,022	28,222	36,870
Resources						
Borrowing Approval	1,275	1,275	0	0	0	0
Government Grant	70,126	32,977	16,677	12,846	3,813	3,813
Prudential	141,970	37,585	45,183	20,926	12,469	25,807
Capital Receipts	48,818	8,408	5,200	16,020	11,940	7,250
Revenue	1,863	793	1,070	0	0	0
External	18,917	5,886	10,801	2,230	0	0
Total funding	282,969	86,924	78,931	52,022	28,222	36,870

Capital Programme - 2016/17 to 2018/19 & Later Years
Scheme Summary showing major schemes separately

Assistant Director	Scheme	Expenditure						Funding					
		Total £'000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Later Years £'000	Government Gr £'000	Prudential £'000	Capital Receipts £'000	Other £'000	Revenue £'000	External £'000
Early Help & Support	Social Care Capital Grant	579	579	0	0	0	0	579	0	0	0	0	0
	ICT Social Care Review	389	389	0	0	0	0	0	389	0	0	0	0
		968	968	0	0	0	0	579	389	0	0	0	0
Health & Well-Being	Day Opportunities for Adults with Learning Disabilites	103	103	0	0	0	0	0	0	103	0	0	0
	Public Health Capital Grants	448	448	0	0	0	0	448	0	0	0	0	0
	Parks for People	819	207	153	153	153	153	483	336	0	0	0	0
	Health & Well-Being Other Schemes	1	1	0	0	0	0	0	1	0	0	0	0
		1,371	759	153	153	153	153	931	337	103	0	0	0
Development Business & Employment	Town Centre - Phase 1 & Accommodation Strategy	410	410	0	0	0	0	0	0	410	0	0	0
	Dawley Regeneration	304	304	0	0	0	0	0	254	50	0	0	0
	Small Scale Regeneration Projects	1,000	0	500	500	0	0	0	1,000	0	0	0	0
	Superfast Broadband Programme	3,802	3,207	595	0	0	0	2,872	0	713	0	217	0
	Housing DBE	2,962	487	2,475	0	0	0	0	2,187	0	0	0	775
	Brookside	251	251	0	0	0	0	0	251	0	0	0	0
	HCA Land Deal	3,676	1,108	1,254	1,314	0	0	0	0	0	0	0	3,676
	Land Deal Board Schemes	1,696	683	1,013	0	0	0	0	0	0	0	0	1,696
	Property Investment Programme	56,362	11,117	9,639	7,106	5,500	23,000	0	55,862	500	0	0	0
	Housing Company - Housing	55,993	11,809	20,706	17,658	5,820	0	0	50,968	2,275	0	0	2,750
	Development Business and Employment other schemes	1,521	146	1,175	200	0	0	54	280	1,187	0	0	0
		127,977	29,522	37,357	26,778	11,320	23,000	2,926	110,802	5,135	0	217	8,897
Customer & Neighbourhood Services	Ironbridge Gorge Stability	2,144	1,894	250	0	0	0	0	2,144	0	0	0	0
	Every Day Telford - Pride in your Community	2,645	645	2,000	0	0	0	0	1,631	0	0	1,000	14
	Transport & Highways Schemes	87,286	24,849	25,915	9,088	13,717	13,717	46,831	33,291	0	0	0	7,164
	Customer Services Systems Development	1,686	644	631	411	0	0	0	1,412	0	0	274	0
		93,761	28,032	28,796	9,499	13,717	13,717	46,831	38,478	0	0	1,274	7,178
Education & Corporate Parenting	Building Schools For The Future	10,346	9,564	379	403	0	0	2,558	-6,074	12,920	1,268	-333	7
	Service Transformation - Invest To Save	300	150	150	0	0	0	0	300	0	0	0	0
	Education & Corporate Parenting All Other Schemes	15,504	4,650	2,396	8,458	0	0	13,417	-1,510	700	7	100	2,790
		26,150	14,364	2,925	8,861	0	0	15,975	-7,284	13,620	1,275	-233	2,797
Commercial Services	ICT/ eGov	7,050	1,108	2,353	1,589	2,000	0	0	6,618	0	0	432	0
	Every Day Telford - Pride Hollinswood Centre	684	684	0	0	0	0	0	174	502	0	8	0
	Supported Independent Living - Disabled Facilities Grant	1,801	1,801	0	0	0	0	1,577	224	0	0	0	0
	Housing Related Schemes	1,888	1,278	500	110	0	0	772	26	1,045	0	0	45
	3G Pitch	750	0	750	0	0	0	0	750	0	0	0	0
	Commercial & Business Fund	140	140	0	0	0	0	0	0	140	0	0	0
	Asset Management Plan - General Works & Surveys	2,970	870	700	700	700	0	0	2,970	0	0	0	0
	Commercial Services other schemes	2,066	866	800	200	200	0	0	1,901	0	0	165	0
		17,349	6,747	5,103	2,599	2,900	0	2,349	12,663	1,687	0	605	45
Finance & Human Resources	Every Day Telford -Pride in your Community	301	301	0	0	0	0	0	301	0	0	0	0
	Efficiency Schemes Capitalisation	13,814	5,814	4,000	4,000	0	0	0	8,000	5,814	0	0	0
		14,115	6,115	4,000	4,000	0	0	0	8,301	5,814	0	0	0
Legal Procurement & Commissioning	Legal Fees	248	62	62	62	62	0	0	248	0	0	0	0
	Housing & Technology support for People with Learning Disabilities	535	70	465	0	0	0	535	0	0	0	0	0
		783	132	527	62	62	0	535	248	0	0	0	0
Finance & Human Resources	Managing the funding of the Capital Programme	115	115	0	0	0	0	0	-22,344	22,459	0	0	0
	Finance & Human Resources other schemes	380	170	70	70	70	0	0	380	0	0	0	0
		495	285	70	70	70	0	0	-21,964	22,459	0	0	0
		282,969	86,924	78,931	52,022	28,222	36,870	70,126	141,970	48,818	1,275	1,863	18,917

Usable Balances at 1 April 2020**Appendix 5.**

			Balance at 1 April 2020 £m
Total Reserves and Balances			62.02
Less Commitments/Earmarked Funds:			
School Funds	Balances held on behalf of schools; therefore not available to the Council	-	9.39
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership, Telford Energy Advice Centre, Arthog, PVI Early Years sector and Section 38 Funds	-	0.05
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	-	0.01
Grant funding	Grant funding received and fully committed in the budget strategy	-	0.15
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	-	2.29
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	-	0.58
Other Corporate Items	For Example ITS/Capacity Fund	-	3.76
Single Status	Provision for equal pay settlement	-	11.92
Other Provisions	For example Bad Debt Provision and Pride Funding Reserve	-	6.79
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken	-	3.48
Residual General Working Balances			23.60
Earmarked for Financial Risks following Risk Review			- 7.75
Residual Balances Available for the Budget Strategy			15.85

Proposed Commitments in the budget report

Community Capacity Building Fund	-	0.50
Organisational Development Initiatives	-	0.25
ITS/Capacity Fund (including support to facilitate the transfer of services to third party organisations)	-	1.50
Footway Programme Funding	-	1.40
Destination Telford Funding	-	0.28
One-off balances required to support the budget strategy	-	5.02
Creation of one-off contingency balance	-	6.90
		-

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016	April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20		
General / Special Fund Balances												
Special Fund Bals	Special Fund Balance	(684,401.31)		(684,401.31)		(684,401.31)		(684,401.31)		(684,401.31)	Working balance	Sufficient
General Fund Bals	General Fund Balance	(3,806,005.49)		(3,806,005.49)		(3,806,005.49)		(3,806,005.49)		(3,806,005.49)	General Fund Working Balance	Forms part of minimum level of balances required
Reserves	Budget Strategy Reserve	(6,874,928.41)	500,257.16	(6,374,671.25)	500,000.00	(5,874,671.25)		(5,874,671.25)		(5,874,671.25)	Feeds into budget strategy	
Total General / Special Fund Balances		(11,365,335.21)	500,257.16	(10,865,078.05)	500,000.00	(10,365,078.05)	0.00	(10,365,078.05)	0.00	(10,365,078.05)		
Specific Commitments not Available												
Reserves	Collection Fund Reserve Fund	(1,702,000.00)	(3,528,563.24)	(5,230,563.24)	(2,400,000.00)	(7,630,563.24)		(7,630,563.24)		(7,630,563.24)	Drawn down balance from Collection fund surplus.	Feeds into budget strategy
Reserves	Capital Funding Reserve	(1,000,000.00)		(1,000,000.00)	1,000,000.00	0.00		0.00		0.00	Set aside at 14/15 year end to fund Pride in Your Community Fund Initiative in 17/18 (instead of prudential)	Fully Committed
Reserves	Environmental Mtce Programme	(1,500,000.00)		(1,500,000.00)		(1,500,000.00)		(1,500,000.00)		(1,500,000.00)	Fully committed to fund a programme of improvements	
Provision	Single Status Provision - General Fund element	(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)		(11,917,031.52)	Funding set aside to meet costs of implementing single status	Fully Committed
Reserves	Skills Dvpt and Apprentices	(256,224.44)	95,000.00	(161,224.44)	95,000.00	(66,224.44)	66,224.44	0.00		0.00	To support employees facing redundancy and apprentice posts; usage based on previous year spend may alter if scheme alters.	
Reserves	Solar Farm Sinking Fund	(12,040.00)		(12,040.00)		(12,040.00)		(12,040.00)		(12,040.00)		
Reserves	Severance Fund	(5,600,927.20)		(5,600,927.20)		(5,600,927.20)		(5,600,927.20)		(5,600,927.20)	Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings	Monitored as restructures progress; the Council also has the ability to capitalise costs associated with service transformation which will be utilised.
Provision	Redundancy Provision	(710,889.25)	710,889.25	0.00		0.00		0.00		0.00	Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 3 16. A new provision will be created at 31 3 17.	Fully committed in 16/17
reserves	Pride in Your Community - Funding Reserve	(4,589,890.00)	434,000.00	(4,155,890.00)	434,000.00	(3,721,890.00)	434,000.00	(3,287,890.00)	434,000.00	(2,853,890.00)	Reserve created to fund debt charges associated with the Pride In Your Community initiative.	Will meet associated debt charges until 2026/27
Reserves	Insurance - Self Insurance Fund	(1,822,199.42)		(1,822,199.42)		(1,822,199.42)		(1,822,199.42)		(1,822,199.42)	Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims; in year requirement assumed to equal contribution.
Reserves	Voluntary Sector Support Fund	(149,115.87)	(95,300.00)	(244,415.87)	50,000.00	(194,415.87)	50,000.00	(144,415.87)	50,000.00	(94,415.87)	To fund the Voluntary Sector following budget cuts in 2016/17	
School Bals	School Balances	(6,550,522.52)	750,000.00	(5,800,522.52)	750,000.00	(5,050,522.52)	750,000.00	(4,300,522.52)		(4,300,522.52)	This represents school balances held by the LEA only. Additional amounts are held by schools as balances in independent bank accounts. Projected movement in balances is based on schools budget plans. It should be noted that schools budget outturns, over the sector as a whole are invariably better than initial budgets (i.e. balances are higher.)	
Reserves	Schools' Supply Insurance Fund	(167,892.10)	40,000.00	(127,892.10)	40,000.00	(87,892.10)	5,000.00	(82,892.10)	5,000.00	(77,892.10)	Self Insurance Fund for supply teacher cover in Schools including maternity pay - fluctuates year on year dependant on levels of sickness and maternity leave	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim
Reserves	Theft & Vandalism Fund	(81,112.15)	20,000.00	(61,112.15)	10,000.00	(51,112.15)	10,000.00	(41,112.15)	10,000.00	(31,112.15)	Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance.	LA administered to limit losses to schools. Regular review to ensure premiums are at an appropriate level.
Reserves	Schools Maternity Insurance Fund	(40,317.17)	15,000.00	(25,317.17)	5,000.00	(20,317.17)	5,000.00	(15,317.17)	5,000.00	(10,317.17)	Self insurance fund to cover maternity leave	LA administered to limit losses to schools. Regular review to ensure premiums are at an appropriate level.
Provision	Single Status - DSG and Schools	(4,323,770.95)		(4,323,770.95)		(4,323,770.95)		(4,323,770.95)		(4,323,770.95)	Provision for Single Status costs in schools and DSG centrally funded staff. Use of this dependant on final implementation of SS.	As per Corporate percentages
Reserves	Youth Offending	(17,284.50)	0.00	(17,284.50)	17,284.50	0.00		0.00		0.00	T&W share of Partnership reserve for YOS - confirmed share of reserve following closure of Partnership - to be utilised to offset any in year savings once announced or impact in 16/17 associated with WM YOS grant	
Reserves	Local Safeguarding Board	(31,296.04)	5,000.00	(26,296.04)	10,000.00	(16,296.04)	10,000.00	(6,296.04)	5,000.00	(1,296.04)	T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016	April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20		
Reserves	SDG Balances	(3,334.83)	1,000.00	(2,334.83)	1,000.00	(1,334.83)	1,000.00	(334.83)	334.83	0.00	School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.
Reserves	Early Years	(91,277.09)	15,000.00	(76,277.09)	10,000.00	(66,277.09)	10,000.00	(56,277.09)	10,000.00	(46,277.09)	ring fenced fund for PVI early years sector used to pay for refurb and r&m on early years provision	reasonable
Reserves	Early Years	(156,994.53)	58,000.00	(98,994.53)	30,000.00	(68,994.53)	30,000.00	(38,994.53)	38,994.53	0.00	To sustain existing nursery provisions in key areas of need	
Reserves	Match Funding Provision/Trading Support	(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)		(84,583.24)	To assist with the development of new income streams and provide an smoothing account for any changes to trading income.	
Reserves	Hadley PFI Sinking Fund	(1,613,800.08)	732,475.00	(881,325.08)	100,000.00	(781,325.08)	100,000.00	(681,325.08)	100,000.00	(581,325.08)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed
Reserves	Invest to Save Reserve	(103,500.04)	15,334.00	(88,166.04)	85,003.00	(3,163.04)	3,163.04	0.00		0.00	Committed to support Workforce Training re Safeguarding and Early Intervention .	
Reserves	PIP Reserve Contribution Account	(224,969.05)		(224,969.05)		(224,969.05)		(224,969.05)		(224,969.05)	Reserve to be used to aid with the ongoing rationalisation of the PIP resulting pressures on Income and Service Charge voids.	
Reserves	Dilapidations - PIP	(152,559.54)		(152,559.54)		(152,559.54)		(152,559.54)		(152,559.54)	Committed spend on Hollinswood House & Stafford Park 15 and a number of other properties in relation to dilapidations.	
Reserves	Granville House	(70,803.12)	70,803.12	0.00		0.00		0.00		0.00	Granville House refurbishment - to be utilised as part of accommodation strategy, Agreed at SMT. D Runton.	Revenue
Reserves	Transforming Telford Reserve	(56,755.99)	56,755.99	0.00		0.00		0.00		0.00	One off benefit following winding up of Transforming Telford	Committed to support the 2016/17 revenue position
Debtors	Transforming Telford Residual balance	(547,071.81)	547,071.81	0.00		0.00		0.00		0.00	One off benefit following winding up of Transforming Telford	Committed to support the 2016/17 revenue position
Provision	Land Charges Provision	(80,803.34)	50,000.00	(30,803.34)		(30,803.34)		(30,803.34)		(30,803.34)	Created to cover litigation costs; settlement finalised and awaiting final costs.	
Reserves	Corporate ICT Reserve	(605,495.10)	601,000.00	(4,495.10)	4,495.10	0.00		0.00		0.00	To support the ICT Capital Programme	Within 16/17 capital programme
Total Specific Commitments		(44,264,460.89)	593,465.93	(43,670,994.96)	241,782.60	(43,429,212.36)	1,474,387.48	(41,954,824.88)	658,329.36	(41,296,495.52)		
Specific Earmarked Balances Identified as Risks												
Debtors	Bad Debt Provision	(3,934,955.18)		(3,934,955.18)		(3,934,955.18)		(3,934,955.18)		(3,934,955.18)	To cover bad debts	Level based on formula
Reserves	Corporate Capacity / Invest to Save Fund	(5,004,942.43)	1,279,000.00	(3,725,942.43)	1,601,000.00	(2,124,942.43)	232,000.00	(1,892,942.43)	43,000.00	(1,849,942.43)	Various initiatives to build capacity and provide funding to deliver future savings. Includes support to partner organisations who take on the delivery of services.	It is proposed to add £1.5m to this fund as part of the 2017/18 budget strategy.
Reserves/Provision/Creditor	Insurance Funds	(422,488.91)	179,400.00	(243,088.91)		(243,088.91)		(243,088.91)		(243,088.91)	Self Insurance Reserve (non-Education) as part of overall insurance strategy	Level seems reasonable, based on the excesses to which the council is exposed under the current arrangements
Reserves	General - Insurance - SCC liabilities	(228,437.19)		(228,437.19)		(228,437.19)		(228,437.19)		(228,437.19)	This is an additional insurance reserve which was established when the County Council's balance sheet was disaggregated and is available to cover claims liabilities that arise.	If this does ever become available following the actuarial valuation the level would increase the level of self insurance available to the authority.
Reserves	Stop Loss Provision	(944,848.78)	75,000.00	(869,848.78)	75,000.00	(794,848.78)	75,000.00	(719,848.78)	75,000.00	(644,848.78)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding	
Reserves	BSF Lifecycle and FM	(39,286.80)	39,286.80	0.00		0.00		0.00		0.00	This is cost of the ongoing maintenance of the Attenuation basin at Ercall Wood - to be transferred to another area when identified.	
Reserves	Building Schools for the Future	(62,322.82)	50,000.00	(12,322.82)		(12,322.82)		(12,322.82)		(12,322.82)	Reserve set aside for procurement and support costs associated with BSF - no further call on this.	
Total Specific Earmarked Balances Identified as Risks		(10,637,282.11)	1,622,686.80	(9,014,595.31)	1,676,000.00	(7,338,595.31)	307,000.00	(7,031,595.31)	118,000.00	(6,913,595.31)		

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20			
Specific Earmarked Service Balances													
Reserves	Elections Equalisation Reserve	(146,582.44)	(55,000.00)	(201,582.44)	(55,000.00)	(256,582.44)	(55,000.00)	(311,582.44)		(311,582.44)	Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.	depends on the number of elections that arise; next Borough election due May 2019	
Reserves	Single Status Project Team	(342,824.91)	20,000.00	(322,824.91)	20,000.00	(302,824.91)	150,000.00	(152,824.91)	152,824.91	0.00	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation		
Reserves	Community Right to Challenge	(8,546.00)		(8,546.00)		(8,546.00)		(8,546.00)		(8,546.00)	Funding to support any additional cost arising		
Reserves/Provision	Balance Control Mechanism / Residual balances from closed schools	(186,684.83)	128,870.54	(57,814.29)	57,814.29	0.00		0.00		0.00	Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	To cover possible deficits of schools which close in the future.	
Reserves	Early Help Plan	(48,239.90)	31,239.90	(17,000.00)		(17,000.00)		(17,000.00)		(17,000.00)	Required to Support Early Help Action Plan		
Reserves	Joint Commissioning Balance	(26,438.59)	26,438.59	0.00		0.00		0.00		0.00	To support 2016/17 spending levels		
Reserves	Childrens Services	(430,559.00)	430,559.00	0.00		0.00		0.00		0.00	Being used in 2016/17 as per Budget Strategy to support spending levels in 2016/17		
Reserves	Safer Communities cwfd	(31,110.90)	10,000.00	(21,110.90)	10,000.00	(11,110.90)	10,000.00	(1,110.90)		(1,110.90)	Combination of two reserves - committed to fund Domestic Violence service and initiatives, Crucial Crew and other community safety costs to be incurred.		
Reserves	SIS - One vision	(1,927.54)	500.00	(1,427.54)	500.00	(927.54)	500.00	(427.54)	427.54	0.00	Given by One Vision Charity to support children with vision impairment - committed		
Reserves	Youth Projects Support	(94,108.87)	35,000.00	(59,108.87)	38,695.63	(20,413.24)		(20,413.24)		(20,413.24)	Funding of Youth Parliament and required to build community capacity and resilience for Youth and Family support		
Reserves	Stafford Park Pooled Fund	(23,674.00)	23,674.00	0.00		0.00		0.00		0.00	To offset 2016/17 costs		
Reserves	Education Welfare Balance	(38,715.39)	26,215.00	(12,500.39)	10,000.00	(2,500.39)	2,500.39	0.00		0.00	Income from fixed penalty notices re Truancy etc - held to support budget if shortfall in income and fund training and resources costs associated with this process. Funding of 1 additional posts.		
Reserves	School Reorganisation Reserve	(330,017.00)	100,000.00	(230,017.00)	230,017.00	0.00		0.00		0.00	Monies carried forward as a reserve against the possible unfavourable balance on schools conversions to academy status		
Reserves	Assistive Technology	(52,284.99)	52,284.99	0.00		0.00		0.00		0.00	Required to offset in year costs		
Reserves	PCT monies	(92,439.28)	92,439.28	0.00		0.00		0.00		0.00	Committed to budget strategy		
Reserves	Transforming Social Care Grant	(159,356.70)	43,907.00	(115,449.70)	61,691.00	(53,758.70)		(53,758.70)		(53,758.70)	Grant paid to LA's to implement Transformation to Social care service delivery including Personalisation etc	The committed balance meets current committed costs to support the transformation of EHS.	
Reserves	Young Persons Substance Misuse	(13,089.00)	4,196.00	(8,893.00)	4,197.00	(4,696.00)		(4,696.00)		(4,696.00)	To be used to cover additional costs of DARs IT system and additional licences as part of transformation to whole system approach to IT systems in EHS.		
Reserves	Public Health Transition Grant	(29,204.73)		(29,204.73)		(29,204.73)		(29,204.73)		(29,204.73)	To offset pressures in 2016/17		
Reserves	Legal Reserve	(104,168.40)		(104,168.40)		(104,168.40)		(104,168.40)		(104,168.40)	For standards investigations and Legal Staffing	Fully committed	
Reserves	Customer Services & Benefits	(271,275.35)	55,000.00	(216,275.35)	50,000.00	(166,275.35)	50,000.00	(116,275.35)	50,000.00	(66,275.35)	To support additional staffing costs as a result of Welfare Reform changes and to support delay in implementing restructure 2016/17		
Reserves	ICT Equipment Reserve	(197,500.00)	72,929.00	(124,571.00)	99,221.00	(25,350.00)	25,350.00	0.00		0.00	Development of the App, costs of CRM and to support schools pricing model in 16/17 & 17/18		
Reserves	Telford Loyalty Card Scheme	(26,203.34)	13,203.34	(13,000.00)		(13,000.00)		(13,000.00)		(13,000.00)	To fund costs associated with the TLC card.		
Reserves	Member Dvpt Reserve	(5,000.00)		(5,000.00)		(5,000.00)		(5,000.00)		(5,000.00)	To be spent on training and equipment as required		

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016	April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20		
Reserves	Coalbrookdale Water Course	(128,658.65)	10,000.00	(118,658.65)	10,000.00	(108,658.65)	50,000.00	(58,658.65)	50,000.00	(8,658.65)	Coalbrookdale Water course drawdown as and when required each year.	This is a commuted sum for Coalbrookdale Water Course - each year monitoring is done & once in every 4 years works are done to maintain water courses. Work last completed in 14/15.
Reserves	Waste	(519,402.00)	519,402.00	0.00		0.00		0.00		0.00	This is to fund the contract termination costs payable to TWS linked to the early implementation of 2 CRC sites in 2016/17.	
Reserves	Environmental Pressures	(1,265,490.98)	634,995.00	(630,495.98)	400,000.00	(230,495.98)	230,495.98	0.00		0.00	This includes £800k of Pride funding for 2016/17 and PETS	
Reserves	Stoneyhill Landfill	(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)		(22,138.00)	This is for a commuted sum for the cleaning & maintenance of the silo's (golf balls) and as a contingency in case the technology does not ensure the quality of the "stuff" piped out to STW system. This was a new design to deliver the ongoing savings, the revenue budget just covers the annual running / monitoring costs. The budget will not cover the costs of cleaning. When it is required in the future	This needs to be held for costs we will incur in future years, although they are unknown at this point in time.
Reserves	Development Planning System - changed descriptor from Budget Strategy Reserve for 16/17	(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)	Balance was held for new Planning System development, however the current system is being upgraded to enable the latest version of GIS. The system will be reviewed as to its sustainability.	Plan to move unspent to legal costs
Reserves	Capacity Fund - Skills Analysis	(14,856.00)	14,856.00	0.00		0.00		0.00		0.00	Research of skills gaps surveys	
Reserves	Capacity Fund - Targeted Marketing Campaign	(11,250.34)	11,250.34	0.00		0.00		0.00		0.00	Destination Telford .	Fully committed in 16/17, supplementing Destination Telford.
Reserves	Capacity Fund - First Point for Business			0.00		0.00		0.00		0.00		
Fund Balances	Destination Telford	(168,114.15)	139,000.00	(29,114.15)	29,114.15	0.00		0.00		0.00	Destination Telford .	Committed in 16/17 and ongoing, supplementing Destination Telford.
Reserves	Growth Hub development	(10,045.95)		(10,045.95)		(10,045.95)		(10,045.95)		(10,045.95)		
Reserves	Car Parking Enforcement Balances	(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)		(11,822.05)	Was used to fund A Brookes post which is now vacant. Could be used to assist with the Permits invest to save proposal.	Committed to the 2016/17 position
Reserves	Development Control Highways	(52,952.76)	52,952.76	0.00		0.00		0.00		0.00	Balance trfd from YBAC Capacity fund £37,948 15/16 and £38,328 16/17 to fund .Highways Development Control officer.	Will be fully applied by 16/17
Reserves	Environmental Services Gen Reserve	(141,000.00)	141,000.00	0.00		0.00		0.00		0.00	Granville House Refurb fund £16k, Eastern Primary Clean £25k, Cleaning of drains and gullies £25k, Drainage schemes £30k, road sweeping £30k, Castlefields Way £15k.	
Reserves	Leisure Grant Holding Account	(34,820.27)		(34,820.27)		(34,820.27)		(34,820.27)		(34,820.27)		Committed to in year position
Reserves	Sponsorship Fund			0.00		0.00		0.00		0.00		Funding for Apprentice.
Reserves	Local Plan Enquiry	(221,208.03)		(221,208.03)		(221,208.03)		(221,208.03)		(221,208.03)	Public Examination of Local Plan	Enquiry due to take place November 2016 but delayed so costs not yet known
Reserves	Planning Appeal costs	(46,623.50)	30,280.00	(16,343.50)	16,343.50	0.00		0.00		0.00	Set aside for legal costs associated with planning appeals	
Reserves	Waste Contract Sinking Fund	(1,863,485.68)	376,700.00	(1,486,785.68)	277,687.51	(1,209,098.17)		(1,209,098.17)		(1,209,098.17)	Enable the ongoing management of new Waste contract.	Fully committed for new Waste contract.
Reserves	Pride in Your Community	(301,832.58)	281,833.00	(19,999.58)		(19,999.58)		(19,999.58)		(19,999.58)	Fully committed for Pride	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016	Estimated Change during 2016/17	April 2017 Opening	Estimated Change during 2017/18	April 2018 Opening	Estimated Change during 2018/19	April 2019 Opening	Estimated Change during 2019/20	April 2020 Opening	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	(additions/withdrawals)	Estimated Closing Balance 31/3/17	(additions/withdrawals)	Estimated Closing Balance 31/3/18		Estimated Closing Balance 31/3/19		Estimated Closing Balance 31/3/20		
Reserves	Grounds & Cleansing Contract	(150,000.00)	150,000.00	0.00		0.00		0.00		0.00	To fund initial data capture work required for new grounds cleansing contract. Spend to be incurred in 2016/17	
Reserves	Telford Town Park Commuted Sums	(19,990.00)		(19,990.00)		(19,990.00)		(19,990.00)		(19,990.00)	Balance to be built up over 10 years to fund management and maintenance plan for further ten years after 2020.	
Reserves	Parish Environmental Teams	(30,167.20)	30,167.20	0.00		0.00		0.00		0.00	Balance of Parish Contribution to scheme to fund materials/works.	Expected draw down against parish material spend and additional apprentice costs over and above Parish £5k contribution.
Reserves	Public Realm	(7,880.80)	7,880.80	0.00		0.00		0.00		0.00	Member/Parish council contributions received relating to works to be completed in 16/17	
Reserves	Capital grant funding held as a reserve	(579,300.10)	579,300.10	0.00		0.00		0.00		0.00	Committed to funding the capital programme	
Reserves	Family Nurse Partnership Monies	(20,000.00)	20,000.00	0.00		0.00		0.00		0.00	Monies received from CCG to support Safeguarding initiative in relation to Family Nursing	
Reserves	Transport	(168,830.00)	40,000.00	(128,830.00)	40,000.00	(88,830.00)	28,830.00	(60,000.00)		(60,000.00)	Costs for purchase of Sat Nav system for Fleet vehicles and logical system change and for replacement vehicles and adaptations and for Transport work in Commissioning	Reserve to be allocated between SDUs
Reserves	Transport Review Reserve			0.00		0.00		0.00		0.00		
Reserves	SEN Review Reserve	(100,000.00)	45,000.00	(55,000.00)	55,000.00	0.00		0.00		0.00	To fund additional costs associated with review and introduction of EHCP including external support	
Reserves	EHS Transformation	(92,678.10)	18,635.00	(74,043.10)	74,043.10	0.00		0.00		0.00	To support new model and transformation of EHS	
Reserves	Substance Misuse Bond Scheme	(24,351.81)	5,000.00	(19,351.81)	5,000.00	(14,351.81)	5,000.00	(9,351.81)		(9,351.81)	Supports charitable housing options e.g Manning Place & KIP project	
Reserves	New Technology	(140,009.92)		(140,009.92)		(140,009.92)		(140,009.92)		(140,009.92)	Committed to Financial Management system development	
Reserves	Catering Control Account	(39,425.42)	20,000.00	(19,425.42)	19,425.42	0.00		0.00		0.00	Funding to Support Lets Cook Project and other initiatives if required	To be kept under review
reserves	Organisational Improvement Fund	(6,145.12)		(6,145.12)		(6,145.12)		(6,145.12)		(6,145.12)	To fund Organisational Improvement Programme	
Reserves	Cooperative Council Initiatives	(19,867.95)	5,000.00	(14,867.95)	5,000.00	(9,867.95)	5,000.00	(4,867.95)	4,867.95	0.00	To pump prime new income initiatives	
Reserves	Mystery Shopper Exercise	(560.00)	560.00	0.00		0.00		0.00		0.00	Committed	
Reserves	Library Self Service Facilities	(6,824.73)	6,824.73	0.00		0.00		0.00		0.00	Used to fund replacement of public access PC's within Libraries, set up and Internet Cafe and support Library Self Serve facilities. This will be required to support the transfer of Library services to Parishes.	
Reserves	Crisis Assistance Reserve	(111,244.99)	96,963.00	(14,281.99)	14,281.99	0.00		0.00		0.00	To support work on crisis assistance scheme including a grant to the CAB and Just Credit union.	
Reserves	Graphic Design - PC Replacement Reserve	(4,959.69)	4,959.69	0.00		0.00		0.00		0.00	For replacement equipment	
Reserves	Corporate Communications Reserve	(18,297.20)	12,247.00	(6,050.20)		(6,050.20)		(6,050.20)		(6,050.20)	To fund Gov Connect and training costs.	
Reserves	People Services Reserve	(7,437.95)		(7,437.95)		(7,437.95)		(7,437.95)		(7,437.95)	Funding for scanning of personnel files.	
Reserves	Delivery & Planning Reserve	(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)		(26,877.97)	IEWM Grant to fund training costs	
Reserves	Register Office	(137.71)	137.71	0.00		0.00		0.00		0.00	£4k for replacement headstones and the balance is for back scanning of registration documents	
Reserves	Finance	(50,747.62)		(50,747.62)		(50,747.62)		(50,747.62)		(50,747.62)	To provide specialist advice, additional hours and support for Finance	
Reserves	Revenues Reserve	(160,000.00)		(160,000.00)		(160,000.00)		(160,000.00)		(160,000.00)	To provide additional support to the Revenues Service	
Reserves	Modern Apprentice Reserve	(75,000.00)	15,000.00	(60,000.00)	15,000.00	(45,000.00)	15,000.00	(30,000.00)	15,000.00	(15,000.00)	To fund modern apprentices across the 2 accountancy teams (no base budget).	
Reserves	Commercial Development Reserve	0.00	25,000.00	25,000.00		25,000.00		25,000.00		25,000.00	Professional support for commercial initiatives, such as the WOC	
Reserves	Treasury Management Reserve	(60,000.00)		(60,000.00)	30,000.00	(30,000.00)	30,000.00	0.00		0.00	Set aside to provide support for any technical advice needed	
Reserves	Library Book Fund			0.00		0.00		0.00		0.00	For the purchase of new books in Southwater	

Appendix 5 Ctd. Schedule of Provisions, Reserves and Balances

Balance Sheet Structure	Description	Actual Bal April 2016		April 2017 Opening		April 2018 Opening		April 2019 Opening		April 2020 Opening	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
		Actual Closing Balance 31/3/2016	Estimated Change during 2016/17 (additions/withdrawals)	Estimated Closing Balance 31/3/17	Estimated Change during 2017/18 (additions/withdrawals)	Estimated Closing Balance 31/3/18	Estimated Change during 2018/19	Estimated Closing Balance 31/3/19	Estimated Change during 2019/20	Estimated Closing Balance 31/3/20		
Reserves	Land Charges	(96,255.00)		(96,255.00)		(96,255.00)		(96,255.00)		(96,255.00)	To support the pricing review of Land Charges. This is likely to be used to support the costs of litigation	
Reserves	Care & Enablement Reserve	(70,785.00)		(70,785.00)		(70,785.00)		(70,785.00)		(70,785.00)	To support restructure proposals	
Reserves	Co Operative Council & Commercial Projects Fund-Reserve	(55,071.01)	40,000.00	(15,071.01)	15,071.01	0.00		0.00		0.00	To be used for 16/17 Commercial projects - and other issues Wellington Health Suite and Private Wire feasibility	
Reserves	Transformation Posts Reserve	(165,184.26)	14,289.41	(150,894.85)	98,000.00	(52,894.85)	52,894.85	0.00		0.00	To support transformation of EHS and delivery of new Target operating model	
reserves	Public Health Grant	(178,118.16)		(178,118.16)		(178,118.16)		(178,118.16)		(178,118.16)	Fully Committed for use in 2016/17 - ringfenced for Public Health purposes	
Reserves	Joint Arrangement			0.00		0.00		0.00		0.00		
Reserves	Early Help Partnership	(69,263.53)		(69,263.53)		(69,263.53)		(69,263.53)		(69,263.53)	Local Advisory Board Development – locality working. To build capacity within the voluntary sector to deliver the Healthy Child Programme, Children Centre Core Purpose and activity to support school readiness (as directed by the Early Help Partnership Board and in response to the recent Early Help and Support Restructure)	
Reserves	Childrens Services Reserves - Early Intervention	(79,157.19)	79,157.19	0.00		0.00		0.00		0.00	Used to offset 16/17 position	
Reserves	BCF Risk Reserve	(200,590.97)	132,121.00	(68,469.97)	68,469.97	0.00		0.00		0.00	To support development and transitional costs of such developments within BCF and to offset bottom line 2016/17	
Reserves	Change Programme	(141,384.62)	50,159.00	(91,225.62)	91,225.62	0.00		0.00		0.00	To support work on CIP and Target Operating Model changes including locality working.	
Reserves	ICT Infrastructure	0.00		0.00		0.00		0.00		0.00	Required for upgrade to Abacus and work to integrate 2 main Adult systems - Carefirst & Abacus. Expansion of mobile working.	
Reserves	Workforce Development	(90,347.50)	36,578.00	(53,769.50)	53,769.50	0.00		0.00		0.00	This is required to ensure new ways of working re assessment & support planning are embedded in day to day working. As part of restructured workforce.Changes (as agreed with CCG) in relation to brokerage and CHC referrals also require training	
Reserves	Innovation fund	(195,000.00)	106,000.00	(89,000.00)	89,000.00	0.00		0.00		0.00		
Reserves	Revitalise Fund (Pride In Your High Street)	(800,000.00)	164,173.00	(635,827.00)	635,827.00	0.00		0.00		0.00		
Reserves	Creative Development	(25,783.46)		(25,783.46)		(25,783.46)		(25,783.46)		(25,783.46)		
Reserves	Time for Me offer	(23,610.50)		(23,610.50)		(23,610.50)		(23,610.50)		(23,610.50)		
Reserves	Leisure/Aspirations Invest to Save Funding	(130,912.02)		(130,912.02)		(130,912.02)		(130,912.02)		(130,912.02)	Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year. £13k sinking fund contribution budget pa had been taken in previous savings rounds.	No budgeted provision
Reserves	Tennis Centre Sinking Fund			0.00		0.00		0.00		0.00	Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year. £13k sinking fund contribution budget pa had been taken in previous savings rounds.	
Reserves	Procurement Advice reserve	(29,561.00)	0.00	(29,561.00)	29,561.00	0.00		0.00		0.00	For GPC Advice & Procurement systems	
Reserves	World Heritage Lottery Fund	(5,000.00)	5,000.00	0.00		0.00		0.00		0.00	Now agreed with IGMT	
Reserves	Young Persons Substance Misuse	(74,891.17)	12,000.00	(62,891.17)	62,891.17	0.00		0.00		0.00	funding of a peer support and mentoring offer for children and young people with drug and alcohol problems	
Reserves	Carers Services	(29,500.24)	29,500.24	0.00		0.00		0.00		0.00	For 16/17 position	
Reserves	Accommodation	(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)		(100,000.00)	To be used to support Accommodation Strategy	
Total Specific Earmarked Service Balances		(12,054,802.01)	5,075,378.81	(6,979,423.20)	2,661,846.86	(4,317,576.34)	600,571.22	(3,717,005.12)	273,120.40	(3,443,884.72)		
Overall Total		(78,321,880.22)	7,791,788.70	(70,530,091.52)	5,079,629.46	(65,450,462.06)	2,381,958.70	(63,068,503.36)	1,049,449.76	(62,019,053.60)		

Budget Strategy – Communication and Consultation Plan – November 2016 to March 2017

APPENDIX 6

Task	Who	Timescale
Scope equality impact assessment and consultation requirements for savings	Community Participation Team and all Service Areas	November
Agree approach to consultation and communication	Community Participation Team, SMT and Cabinet	November
Prepare and agree budget communication and consultation materials and presentations	Community Participation Team, Financial Management Team, Communications, Cabinet Member for Finance & Service Delivery	November - December
Budget proposals agreed by Cabinet – communication regarding budget approach to be linked to date papers published		5 January
Launch budget proposals to include radio interview, media release, community panel, budget page, social media, partner communication	Corporate Communications	6 January
Attend Young People's Forum	Cllr Paul Watling and YPF Support Officers	11 January
Attend Senior Citizens Forum	Cllr Lee Carter and Cllr Arnold England (Cabinet Member for Adult Social Care & Older People) Finance Officer Support	25 January
Attend Business Board	Cllr Lee Carter and Richard Partington (Managing Director)	January (date TBC)
Attend Parish Forum	Cllr Lee Carter and Ken Clarke, Jonathan Rowe	10 January
Attend Schools Forum	Jim Collins	January (date TBC)
Attend Voluntary Sector Chief Officers Group	Cllr Lee Carter and Ken Clarke	18 January
Attend a joint unions meeting	Cllr Lee Carter and Ken Clarke	26 January
Close of formal consultation period		5 February

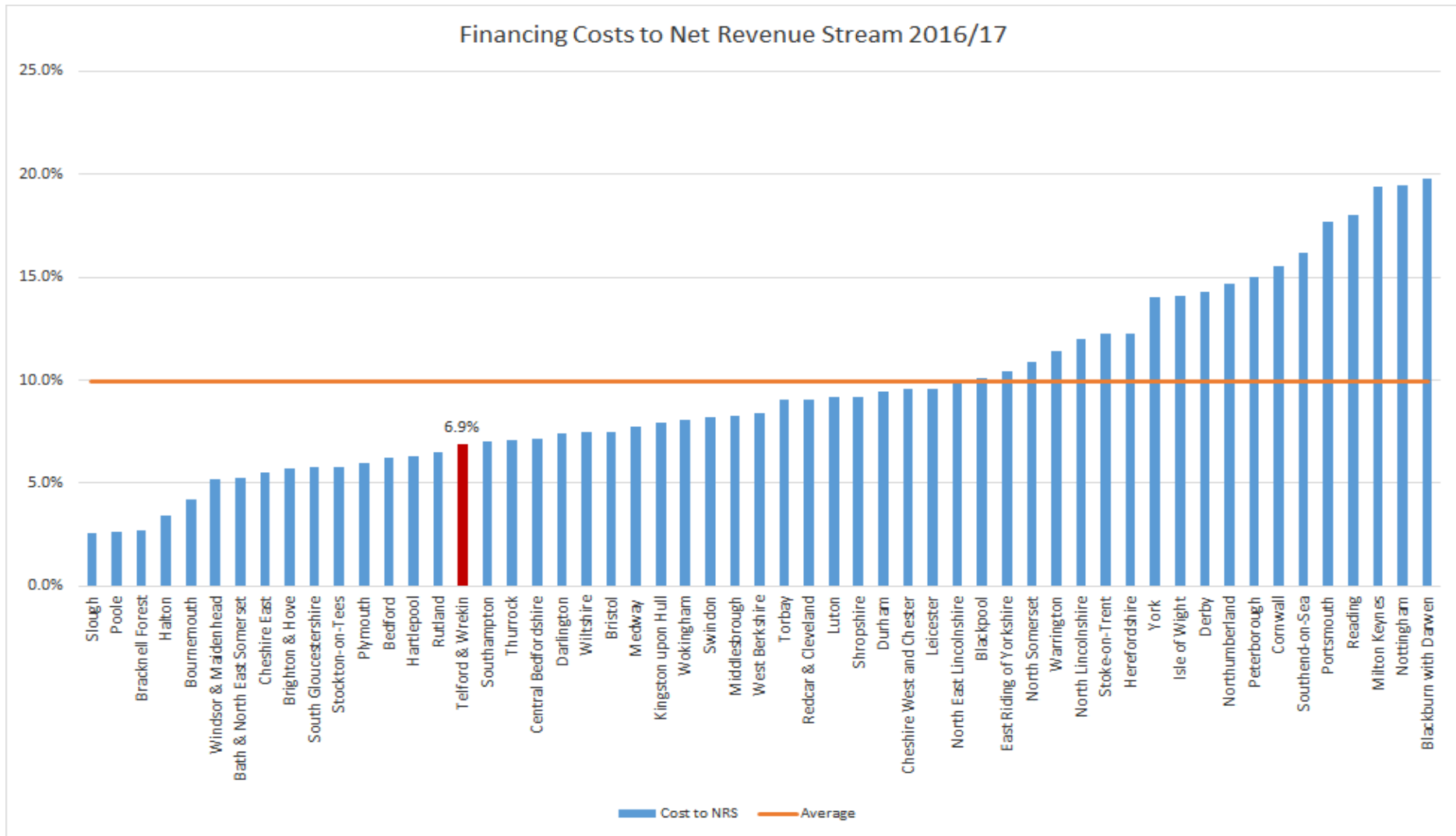
Share findings of consultation	Community Participation and Organisational Delivery and Development	7 February
Cabinet		23 February
Full Council		2 March
Ongoing discussion and planning with stakeholders, residents and partners		March onwards

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	Additional Savings			Total Ongoing Saving	Lead Officer	Rationale		
					2017/18	2018/19	2019/20					
					£		£	£			Economic impact assessment	Environmental Impact Assessment
Managing Director: Richard Partington												
Business, Development & Employment												
1	Service Review/Redesign	B	Saving from early delivery 16/17 & 17/18 - i.e.overdelivery against 17/18 targets	No	297,537			297,537	Various	Savings from over delivery of 16/17 and 17/18 savings targets	None	None
Total Business Development & Employment					297,537	-	-	297,537				
Finance & HR												
2	Staffing	B	Fundamental Service Review and Restructure across the whole of Finance & Human Resources	No	54,000	342,370	117,000	513,370	Pauline Harris/Tracey Smart/Julie Pugh/Sophie Lane/Sue Wilson	Reduction in staffing budgets is the only option to make savings. This will be achieved through a combination of service re-design and some service cuts. This includes more automation following the implementation of the new payroll system and maximising the use of Agresso by service Managers..	None	None
3	Staffing	B	Reduction in PA support team budget	No	4,140			4,140	Ken Clarke	Residual budget following previous staffing changes	None	None
4	Income	C	Increased income from trading with schools	No	12,000			12,000	Tracey Smart	Income from additional work being done and anticipated for schools	None	None
5	Non-Staffing	D	Review of accounting policies including capitalisation of interest for projects which are not complete at year end and benefits from active treasury management	No	150,000			150,000	Pauline Harris	Review of accounting policies that may generate a revenue saving e.g. where capital projects are underway but not complete at year end our policy would be to capitalise the interest costs relating to any borrowing rather than making a charge to revenue.	None	None
Total Finance & HR					220,140	342,370	117,000	679,510				
Cooperative Council												
6	Staffing	B	Staffing restructures in CPT and ODD to realign services to meet changing needs of organisation.	No	161460			161,460	Jon Power/Rachael Jones	Restructure of Organisational and Delivery and Community Participation Teams in order to review services delivered by teams to support changing needs of the organisation, full savings to be delivered in 2017/18	None	None
7	Non-Staffing	E	Unallocated funding as result review corporate grants 2015, agreed in budget strategy 2016/17	Yes - completed	112,300			112,300	Rachael Jones	Review of corporate grants carried out 2015, saving relates to unallocated funding. Separate funding of £100k has been set aside for capacity building voluntary sector, proposed £95,300 unallocated from 2016/17 added to give fund of £195,300.	None	None
Total Cooperative Council					273,760	-	-	273,760				
TOTAL SAVINGS RICHARD PARTINGTON					791,437	342,370	117,000	1,250,807				
Director: Clive Jones												
Education & Corporate Parenting												
8	Service Review/Redesign	B	As part of changes to education funding arrangements, to seek agreement from schools to fund some services as part of a collective top-slice from school budgets in 2017/18	Yes - with schools	158,333	41,667		200,000		Opportunity arising as part of changes to the education funding arrangements.	None	None
9	Service Review/Redesign	B	Savings not delivered in 2017/18		(158,333)			(158,333)		N/A	None	None
Total Education & Corporate Parenting					-	41,667	-	41,667				
Legal, Procurement & Commissioning												

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
10	Staffing	E	Audit, IG & Insurance - Service Review	No	43,043	48,767	0	91,810	JE	Audit, Insurance & Information Governance Services Service reduction		
11	Non-Staffing	E	Audit, IG & Insurance - Cost Savings	No	6,730	0	0	6,730	JE	Savings - principally on training and development	None	None
12	Non-Staffing	E	Procurement & Brokerage - Cost Savings	No	2,000	3,000	0	5,000	SB	Savings - principally on training and development	None	None
13	Non-Staffing	B	SLA budget - Commissioning	No for 2017/18; may be required for 2019/20 saving	182,000	0	100,000	282,000	LT	In the first instance this has been identified as BCF spend and budget allocated from existing funding not currently allocated. Year 19/20 savings will come from a change in the way that the voluntary sector is funded		
14	Non-Staffing	E	TAMHS grant - cease	No	7,132	0	0	7,132	LT	This service is no longer provided	None	None
Total Legal, Procurement & Commissioning					240,905	51,767	100,000	392,672				
TOTAL SAVINGS CLIVE JONES					240,905	93,434	100,000	434,339				
Director: Jonathan Rowe												
Customer & Neighbourhood Services												
15	Non-Staffing	B	Review of budgets across Customer services	No	5,000			5,000	Lee Higgins	this is a line by line review that will allow us to further reduce the remaining revenue budgets left in customer services	None	None
16	Non-Staffing	B	Reduction in mystery shopping budget as now undertaken in house	No	18,000			18,000	Lee Higgins	We have reduced our number of mystery shopper exercises and now use more 'volunteers' so we can reduce this budget accordingly with no major impact	None	None
17	Staffing	B	Restructure of Customer Services and Benefits	No	158,240			158,240	Lee Higgins	The restructure proposals have already been launched so that this savings will be delivered early in the spirit of one restructure to help mitigate impact on morale of constant restructures		
18	Non-Staffing	B	Retain the provision for enhanced winter maintenance services during significant Snow events as per winter maintenance policy, but to fund from contingency if events happen and not continue to fund from Revenue Budgets	No	45,000			45,000	Dave Hanley	Additional funding was provided for the enhanced level of winter maintenance for the last few years the winters have not been as harsh leading to a small underspend in the service. As a result the proposal is to remove the 'revenue' budget, still continue to provide the enhanced service and during a harsh winter if winter budgets are stretched the service will call on the corporate contingency pot for that year to continue the service.	Recognises the importance of winter maintenance to ensure flow of traffic to minimise impact on local businesses	None
19	Non-Staffing	B	To retain the commitment to support partnership deployment of flood barriers , but to reduce revenue funds to equate with average costs experienced over recent years and to use corporate contingency if required during exceptional levels of rainfall.	No	20,000			20,000	Dave Hanley	The flood barriers in the Gorge have not been installed as frequently over the last 4 years and therefore we believe we can reduce the budget by 20K and still provide the level of resilience required in times of flooding	Recognises the importance of flood prevention to minimise impact on local businesses/tourism etc	None
20	Non-Staffing	B	Removal of R & M budgets for bus shelters	No	30,000			30,000	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme.	None	None
21	Non-Staffing	B	Removal of the revenue budget for traffic surveys budget and use capital as required	No	15,920			15,920	Dom Proud	Following a line by line review Highway Services have a number of revenue budgets that are really for 'capital' related expenditure. As a result the proposal is to offer up the revenue budget saving and use the capital highways budgets to deliver this scheme	Recognises the importance of understanding traffic flows to plan effectively to manage the road networks and so minimise impact on local businesses/tourism etc	Recognises the importance of understanding traffic flows to plan effectively to manage the road networks and so minimise impact on the environment through efficient travel
22	Staffing	B	Restructure of Corporate Communications Team	No	37,000			37,000	Nigel Newman	This is a reduction in posts within the corporate comms team and reflects the 12% across the board savings required. We believe we can deliver this savings through more generic officers working in comms e.g. all working on social media, pr and internal comms	None	None
Total Customer & Neighbourhood Services					329,160	-	-	329,160				
Commercial Services												
23	Income	C	Increase primary school meal prices from £2 to £2.30 over a 3 year period	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	40,000	40,000	40,000	120,000	Lorna Hicks (Stuart Davidson)	School meal price hasn't changed for paid meals for 3 years. Free School Meals are charged at £2.20 so an increased charge over a 2 year period would bring this in line by 18/19. A further increase to £2.30 by 2019/20 is considered reasonable, as a cost of £2.30 is comparable with other providers.	None	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
24	Income	C	Extend swimming lesson programme	Y	15,500	8,500	0	24,000	Mark Moore (Stuart Davidson)	Based on current performance it is considered that there is potential to generate additional income from an expansion of the lesson programme.		
25	Income	C	Review of off-peak ice staking concessions (increase to half non-concessionary rate in 2017/18)	N in 17/18 (part of annual pricing review)	4,929	2,000	0	6,929	Mark Moore (Stuart Davidson)	Benchmarking suggests that our concessions policy is relatively generous. Increasing off-peak skating concessionary prices as proposed is again a comparatively generous concession, particularly as majority of other ice rinks are privately run and do not offer concessions at all. The impact of Club 2000 price review would only impact on Club 2000 members - to enable the club to be supported with this, it is proposed that this price increase does not take effect until 18/19.	None	None
26	Income	C	Review ice rink hire fees	Y	12,800	7,200		20,000	Mark Moore (Stuart Davidson)	Benchmarking indicates that current Ice Skating lesson prices are cheap compared with other Ice Rinks, it is proposed to increase the charges by 10% in 2017/18 and a further 5% in 2018/19.		
27	Income	C	Services for Schools price review to improve the profitability of services provided	Y (not strictly consultation but prior notification of price increase as part of annual review of Services for Schools)	82,000	33,000	33,000	148,000	Chris Goulson/Kirsty King/Stuart Davidson	Initial financial modelling suggests full costs are not always being recovered, therefore prices need to be increased - proposed target is £52k for Cleaning, £35k for Caretaking, £11k for ICT. An additional £50k saving on Primary School Catering budget (contingency) has also been identified, which can be delivered in 2017/18.	None	None
28	Income	C	Improve profitability of Arthog/Arthog outreach	N	18,515	51,500	27,825	97,840	Jo Barnett (Stuart Davidson)	The saving in 2018/19 includes £25k relating to repayment of loan which ceases in 17/18 and this is the release of that element. The remaining saving relates to additional income target from 2017/18 onwards, as analysis of occupancy of Arthog shows that there is scope to increase profitability of the Centre, particularly at weekends.	None	None
29	Non-Staffing	D	Additional reductions in black and white printing (build controls into re-tender of MFD) plus additional savings from colour printing in 17/18	N	87,000	30,000	30,000	147,000	Kirsty King	A £32k saving linked to reductions in colour printing was built into 2016/17 budgets, so an additional saving of £87k is proposed for 2017/18 based on us continuing to reduce costs by approx. £10k per month. For 2018/19 and 2019/20, proposal is to reduce black and white printing by an additional 15% in each year, based on current average monthly black and white printing cost of £16.6k.	None	Positive impact in terms of reduced paper consumption and consumables together with reduced energy use.
30	Staffing	D	Additional savings arising from 2016/17 review of cleaning specification and associated restructure	N	48,000			48,000	Kate Sumner (Stuart Davidson)	The review of cleaning specification and programme of building closures will achieve a saving of £48k over and above the £110k target.	None	None
31	Staffing	D	Deletion of 2 posts in biT and creation of 1 higher-level apprentice/graduate post	N	57,990			57,990	Chris Goulson	Saving to be achieved as a result of a VR request and a vacancy. Reduction in capacity can be accommodated due to reduction of BSF work.	None	None

No.	Savings Type	Efficiency Theme - A, B, C, D, E	Description of Saving	Is public consultation required? Yes/No	2017/18 £	2018/19	2019/20 £	Total Ongoing Saving £	Lead Officer	Rationale	Economic impact assessment	Environmental Impact Assessment
32	Service Review/Redesign	D	Other savings already brought forward for 17/18 - over delivery against 17/18 targets	N - already consulted on	72,450			72,450	All SDMs in Commercial Services	N/A	None	None
33	Income	C	White label' partnership with established energy price comparison service	Y - market research will be needed	5,000	3,000		8,000	Toni Guest	Proposed model is to partner with an established provider to provide a TWC-branded energy price comparison service with commission being paid on conversions. Model includes legal and marketing costs and assumes 3% of residents participate (similar to that achieved by other local authorities).	Potential impact on other energy suppliers.	
Total Commercial Services					444,184	175,200	130,825	750,209				
TOTAL SAVINGS JONATHAN ROWE					773,344	175,200	130,825	1,079,369				
OVERALL TOTAL SAVINGS					1,805,686	611,004	347,825	2,764,515				



Section 106 Monetary Contributions Received and Expended for Education Purposes 01/04/16 to 31/03/17

APPENDIX 9

	Planning Application No	Scheme	Bal brought forward	Income	Expenditure	Bal Carried forward	Project
E003	W2010/0011	Wakins Nursery Apley Castle	-30325.88	0.00	0.00	-30325.88	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E006	W2005/0961 & TWC/2012/0408	Marshbrook Way Donnington	0.00	0.00	0.00	0.00	Towards Muxton 3 class extension - completed
E007	W2009/1015	Land at Church Farm Yard	0.00	0.00	0.00	0.00	Preston St Lawrence CE Primary refurb - completed
E015	TWC/2012/0320 & TWC/2013/0720	Land off Sommerfield Road	-121609.68	-118470.00	0.00	-240079.68	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E016	TWC/2011/1037	Land at The Walker Institute (Phase 2)	-38065.72	0.00	0.00	-38065.72	Will be used for expansion in North East Telford - project yet to be confirmed.
E019	W2006/1347	Leegomery Centre	-27630.77	0.00	0.00	-27630.77	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
E020	TWC/2011/0821	Land at Wellington Rd Newport	0.00	-702910.00	0.00	-702910.00	New primary provision & expansion of secondary provision
E021	TWC/2013/0938	Land to the South Side of Holyhead Rd	-50544.09	-50000.00	0.00	-100544.09	Will be used for expansion in North West Telford - project yet to be confirmed.
E575	W2004/0981 & TWC/2013/0096	KMC (comm.centre/sch design)	-660000.00	-27629.60	688338.03	708.43	Meadows Primary Extension - completed
E603	W2005/1290	Dawley Bingo Hall	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
E605	W2005/0659 & W2007/1161	Land @ Britannia Way	-91539.36	0.00	293.98	-91245.38	To be used within vicinity of development - HLC
E607	TWC/2010/0638	Land at The Pidgeon Box	-53996.34	0.00	54057.53	61.19	Will be used for expansion in North East Telford - project yet to be confirmed.
E609	W2007/1732	Capewell Works	0.00	0.00	0.00	0.00	Teagues Bridge Primary - 3 class & hall extension - completed
E610	W2005/0661	Parkdale - Hadley	293.98	-293.98	0.00	0.00	To be used within vicinity of development - HLC
E620	TWC/2012/0371	Land at Muxton C2 & C3	-105946.87	0.00	106001.75	54.88	Towards Muxton 3 class extension - completed
E624	TWC/2010/0147	Land @ Holyhead Rd (former garage)	0.00	0.00	0.00	0.00	Meadows Primary Extension - completed
E627	TWC/2012/0211	Land at Maynards Croft Newport	-36601.67	-2110.75	0.00	-38712.42	Newport Infant 2 class extension project - completed
E628	TWC/2010/0722	Redhill - Education	-109461.39	0.00	109517.89	56.50	Will be used for expansion in North East Telford - project yet to be confirmed.
E630	TWC/2012/0609 & TWC/2014/1124	Woodlands Primary Redevelopment	-92621.65	0.00	92669.63	47.98	Woodlands Demountable (15/16) & John Fletcher Primary Works (16/17)
E636	TWC/2012/0787	Former White Hart Pub	0.00	0.00	0.00	0.00	Captain Webb Primary redevelopment completed
E637	TWC/2013/0297	Land off Edgmond Rd Newport	-206879.75	0.00	0.00	-206879.75	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
E642	TWC/2014/1122	Land at junction of Stinchley Ave Randlay	-40182.64	0.00	0.00	-40182.64	Randlay Primary School Kitchen Works (16/17)
EH45	W2006/0608	Land off Church Walk Donnington	0.00	0.00	0.00	0.00	Muxton 3 class extension - completed
YD25	TWC/2013/0083	Land at Hadley Park West (Oakehampton Rd)	-365557.35	-130807.00	0.00	-496364.35	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
YD26	TWC/2012/0886	Land at 121-125 Hadley Park Road	-39494.06	0.00	0.00	-39494.06	To be used within vicinity of development - either HLC, Millbrook or Apley Wood (solutions currently being considered)
YD27	TWC/2010/0089	Highfield House	0.00	0.00	0.00	0.00	St Patricks Primary School refurbishment
YD28	TWC/2014/0333	Land at Corner of Stafford Rd/A41 Newport	-73950.99	0.00	0.00	-73950.99	To be used toward expansion of education facilities in Newport area - project yet to be confirmed
YD30	TWC/2010/0828	Lawley Primary New School	-151400.04	-294736.84	0.00	-446136.88	1st & 2nd installment re new School at Lawley & school expansion plan sum
YD57	TWC/2014/0360	Land at Heath Hill/Balls Hill	0.00	0.00	0.00	0.00	Cotribution to Captain Webb Primary Extention
YD59	TWC/2013/0606	Land at Hadley Park Rd West Millar Homes	0.00	-134386.00	134386.00	0.00	To be used within vicinity of development - HLC PRIMARY EXPANSION
YD61	TWC/2014/0882 & TWC/2015/0177	Park Road Malinslee	-62512.20	0.00	52582.29	70.09	Old Park Primary Extension (16/17)
YD82	TWC/2015/0028	Land at Frome Way Donnington	-98750	-2083.01	0.00	-100833.01	Teagues Bridge Primary - 3 class & hall extension - completed
YD84	TWC/2013/0693	Heath Court, Cliff Cres Ellerdine	0.00	-20571.00	0.00	-20571.00	High Ercall Adaptations

Totals

-2446776.47 -1483998.18 1237847.10 -2692927.55

-2692927.55

To 31/10/16

0.00

APPENDIX 10 - TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET - BEFORE SAVINGS AND INVESTMENTS

Service Delivery Unit	<u>2017/18</u> <u>GROSS</u> <u>EXPENDITURE</u> £	<u>2017/18</u> <u>GROSS</u> <u>INCOME</u> £	<u>2017/18</u> <u>NET</u> <u>EXPENDITURE</u> £
Health & Well-Being	18,495,218	16,911,593	1,583,625
Governance, Procurement & Commissioning	11,272,491	7,940,507	3,331,984
Customer & Neighbourhood Services	117,130,862	87,198,232	29,932,630
Business, Development & Employment	14,134,793	14,320,420	(185,627)
Commercial Services	37,416,050	33,939,100	3,476,950
Finance & Human Resources	8,570,690	7,177,510	1,393,180
Early Help and Support	57,369,127	14,866,178	42,502,949
Childrens Safeguarding	21,460,605	624,961	20,835,644
Education & Corporate Parenting	130,766,719	117,514,879	13,251,840
Co-operative Council	3,533,357	2,058,867	1,474,490
Council Wide Items	5,568,984	8,116,298	(2,547,314)
Netting off of Internal Recharges included above	(35,126,107)	(35,126,107)	0
Total	390,592,788	275,542,438	115,050,350
Contributions To/From Balances	2,475,000	434,750	2,040,250
Net Total	393,067,788	275,977,188	117,090,600

Budgets for Service Delivery Units will be restated once the Council has made final decisions on the savings and investment proposals contained in this report.

Base Budget Movements from 2016/17 - APPENDIX 11

		2017/18	
		<u>£'000</u>	<u>£'000</u>
2016/17 Base Budget			122,279
Net Transfer to Collection Fund Reserve			(1,054)
			<u>121,225</u>
<u>Inflation</u>			
General	(244)		
Pay Inflation	799		
			556
<u>Pressures</u>			
Pensions - Increases to the employers contribution mainly due to the triennial evaluation	2,179		
Apprentice Levy	303		
Impact of changes to Grants including reduced Education Services Grant and cuts to Public Health Grant	1,792		
Ofsted Recommendations	150		
Funding for Safeguarding Ofsted Action Plan	200		
Social Care Cost Pressures - transitional clients	308		
CHC - impact of reduced funding	2,400		
New Better Care Fund Funding	(500)		
Other	(811)		
			6,021
<u>Capital/Treasury</u>			
Impact of Capital Programme	(689)		
			(689)
<u>Less Savings</u>			
Savings Proposals - approved in March 2016 Strategy	(11,937)		
			(11,937)
<u>Plus Pressures - approved in March 2016 Strategy</u>	1,915		
			1,915
Base Budget			117,091
<u>Less Funding</u>			
Council Tax Income - including 3.2% increase and collection fund surplus	61,823		
Revenue Support Grant - per settlement	18,457		
Parishes CTS Grant - in line with reductions in RSG	(185)		
Retained Business Rates including top up and S 31 grant	39,468		
Total Funding			119,563
Base Budget Surplus			(2,473)

Finance & Enterprise Scrutiny Committee Work Programme 2016/17

1) Meeting schedule

Date of Meeting	Items	Type of Meeting	Attendees	Outcomes
10 November 2016	Civil Parking Enforcement To consider the option for the Council to develop a business case for CPE Work programme To agree future items for the work programme	Committee	Cllr Angela McClements Jonathan Rowe Angie Astley Dom Proud	Further information agreed to come back to future meeting
12 January 2017	Service & Financial Planning Strategy 2016/17 To consider the draft budget strategy and savings proposals and to identify items for further scrutiny. Work programme	Committee	Cllr Lee Carter Ken Clarke	
18 January 2017	(Budget – items to be agreed)			
24 or 26 January 2017	(Budget – items to be agreed))			
1 February 2017	(Budget – items to be agreed)			

2) Forward Plan

Item	Issues	Comments	Cabinet / SMT lead
Service & Financial Planning Strategy (budget proposals)	To scrutinise the budget proposals. Specific suggestions: <ul style="list-style-type: none"> Adult care budget and savings Income generation, including Services for Schools NHS Independent Complaints and Advocacy Service (how the service is commissioned by the LA and the level of funding) 	Co-ordinate with Health & Adult Care Scrutiny Committee or other committees as relevant	
Alternative budget proposals		Consider during budget scrutiny	
Civil Parking Enforcement	To consider whether the Council should commit to developing a business case with a view to applying for CPE powers	On-going joint with Customer, Community & Partnership Scrutiny Committee	Cllr A McClements Jonathan Rowe Angie Astley