



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

CABINET

Date Thursday, 13 July 2017 Time 5.00pm
Venue Meeting Rooms G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Enquiries Regarding this Agenda:

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Cabinet Members:

Councillor S Davies	Leader of the Council and Cabinet Member for Neighbourhood Services & Pride Programme
Councillor R A Overton	Deputy Leader and Cabinet Member for Cabinet Member for Housing & Enforcement
Councillor L D Carter	Cabinet Member for Council Finance, Commercial Services & Economic Development
Councillor A R H England	Cabinet Member for Communities, Health & Wellbeing
Councillor R C Evans	Cabinet Member for Customer Services, Tourism & Partnerships
Councillor A D McClements	Cabinet Member for Transport, Infrastructure & Broadband
Councillor J C Minor	Cabinet Member for Leisure, Green Spaces & Parks
Councillor S A W Reynolds	Cabinet Member for Education & Skills
Councillor P R Watling	Cabinet Member for Children's & Adult's Early Help & Support

Invitees

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

AGENDA

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CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 13 July 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 19 JULY 2017

(DEADLINE FOR CALL-IN: MONDAY, 24 JULY 2017)

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

Also Present: Councillors A J Eade (Conservative Group Leader)

CB-105 Apologies for Absence

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

CB-106 Declarations of Interest

None

CB-107 Minutes

RESOLVED – that the minutes of the meeting held on 29 June 2017 be confirmed and signed by the Chair.

CB-108 2017/18 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 14 June 2017.

Recommendations for Full Council – not subject to Call-in.

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

Members were informed that the net projected outturn position for 2017/18 was estimated to be within budget. This was after taking into account the specific contingency of £2.5m earmarked in the 2017/18 budget strategy for Early Help & Support pressures but without using any of the centrally held contingency.

It was a positive start to the year given that £13.8m savings were required to balance the 2017/18 budget and the aim was that senior managers would sustain this position and make further improvements where possible by year end.

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

There were a number of variations from the approved budget, including some beneficial variances. The main areas were highlighted as:

- A benefit of £2.3m relating to Treasury Management activities - the majority of which related to benefits from low interest rates for short term borrowing. Children's Safeguarding was a key pressure with an overspend of £1.0m being reported which was a combination of the cost of placements for Looked after Children, the cost of social workers and barrister costs. A four year model was in place which was designed to deliver efficiencies over the remainder of the year and medium term.
- Early Help & Support – overall the service was currently projected to be within budget at year end. Purchasing care costs were £0.3m overspent which was being offset by employee savings.

The funding outlook for the medium term remained uncertain however it was anticipated that the Council would need to identify a further £15-£20m savings by the end of 2019/20 on top of the £13m already identified for 2017/18, so it was important to maintain the excellent track record in managing budgets and maximise the position in 2017/18 which would assist in future years.

RESOLVED -

- (a) that it be noted that the 2017/18 revenue spending is currently projected to be within budget and that work will continue with SMT to sustain this position;**
- (b) that the position in relation to capital spend be noted TO RECOMMEND TO COUNCIL that the new allocations, virements and slippage detailed in Appendix 3 be approved; and**
- (c) that the collection rates for NNDR, council tax and sales ledger be noted.**

CB-109 Variation to the West Mercia Energy Joint Agreement

Key Decision identified as **Variation to the West Mercia Energy Joint Agreement** in the Notice of Key Decisions published on 14 June 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Finance and Human Resources which proposed to vary the Joint Agreement for West Mercia Energy (WME) held by the constituent authorities to enable WME to supply utilities,

alongside the supply of energy. It was noted that the variation did not impact on the Council's Constitution.

From April 2017 the government had opened up the non domestic water supply market to enable businesses, charities and public sector bodies, to be able to choose their supplier rather than rely on a supplier within their region. Government hoped that competition would improve customer services, lower costs and encourage suppliers to be more innovative with the services they offered. It was noted that only 6% of the retail market was available for competition so significant savings or dividends would not be expected

WME had been working in collaboration with other public sector organisations, and the MOD to establish a national Framework Agreement for the provision of water, waste water and ancillary services. Whether to provide an offering for water to WME customers had been closely considered; progressing with water services came with business risks associated with the development of a new service (systems, management time focused on an initial low margin product rather than the core WME offering). From research conducted, not providing an offering for water was considered a greater business risk as some key large customers would be looking in the future to procure a joint gas, electricity and water contract from one provider and not being in this market space could lead to loss of business. To enable WME to be part of any framework there was a need to vary the Joint Agreement to add in the ability to supply utilities alongside the supply of energy. The Deed of Variation was appended to the report.

RESOLVED that –

- (a) the current Joint Agreement be varied to include the provision to be able to broker and supply utilities be approved; and**
- (b) the Assistant Director of Finance and Human Resources be authorised to finalise and execute the variation in Consultation with the Assistant Director of Governance, Procurement and Commissioning be approved.**

CB-110 Academy Conversion for Hadley Learning Community Private Finance Initiative School to a Multi-Academy Trust

Non- Key Decision

Councillor S A W Reynolds, Cabinet Member: Education and Skills presented the report of the Assistant Director: Education and Corporate Parenting, which provided a report on the academy conversion of Hadley Learning Community (HLC).

Members noted the government policy on Academy Schools that sought to improve standards and increase choice for parents. The Hadley Learning Community (HLC) was a Private Finance Initiative (PFI) School undergoing an academy conversion to a Multi-Academy Trust (MAT). The Council was under a statutory duty by virtue of

the Academies Act (2010) and Section 10 of the Education and Adoption Act (2016) and was legally obliged, to facilitate the process of conversion by a school to academy status within a specified time period. The target date for conversion was the 1st September 2017 (but was not restricted depending on unforeseen and extenuating circumstances). The Council was aware that the PFI arrangements added complexity and heightened legal and financial risks that the Council could become exposed to. The Council would at all times seek to safeguard its position and achieve minimum financial expenditure and future liabilities.

As part of the academy conversion HLC would absorb within its establishment the following Telford schools; Mount Gilbert School, Queensway School and Charlton Secondary School following which they would be comprised in a MAT. The HLC MAT was a single entity and would be established to undertake a strategic collaboration to improve and maintain high educational standards across the aforementioned schools. The MAT would have overarching responsibility for all the schools operation and governance.

Members welcomed the establishment of the MAT and were pleased to see local schools working together to improve and maintain high standards. It was noted that the Department for Education had approached Telford & Wrekin Council where successful practice had been demonstrated.

RESOLVED that –

- (a) **in consultation with the Cabinet Members for Finance, Commercial Services and Economic Development and Education and Skills, authority be delegated to the Assistant Director – Education and Corporate Parenting to facilitate the HLC PFI academy conversion to the newly incorporated Multi Academy Trust. More specifically authority to negotiate and enter all the necessary legal agreements (including but not limited to Deed of Variation of the Project Agreement, the Principal Agreement, the School Agreement and the Commercial Transfer Agreement) and complete the formalities to effect the conversion and the level of annual charges to the academy for the Council’s continuing responsibility to monitor the PFI contract; and**
- (b) **Authority be delegated to the Assistant Director - Business, Development and Employment for the land transfer, lease and licence agreements to be negotiated, signed and completed relating to the site.**

CB-111 Finalisation and Closure of the Building Schools for the Future Programme

Key Decision identified as **Finalisation and Closure of the Building Schools for the Future Programme** in the Notice of Key Decisions published on 14 June 2017.

Councillor P R Watling, Cabinet Member: Adult’s and Children’s Early Help and Support, presented the report of the Assistant Director: Education and Corporate

Parenting which provided an update on the successful and much enhanced deliverables resulting from the Building Schools for the Future programme including a comparison to the original Outline Business Case (OBC) proposals from December 2008.

The £200m Building Schools for the Future programme was the largest delivered by Telford & Wrekin and had provided borough-wide new and improved school and community facilities. The aspiration was for BSF to act as a catalyst for physical and social regeneration across Telford & Wrekin through the creation of a network of high quality learning communities. It had delivered this by being a major contributory factor to the regeneration of Dawley with the new build Telford Langley School with its iconic sporting facilities located off the main High Street, the enabling of significant commercial development in Madeley on the former Madeley Court school and sports site and providing a site for Nu Place in Madeley on the former Woodlands Primary School site.

By utilising far more than BSF grant funding and combining that with capital receipts, other grant funding, (e.g. Lottery funding, Sport England grants), funding from National Governing bodies of Sport and other Council, health and partner funding had enabled the Council to deliver an enhanced programme with the principle of sport and learning communities offering far more than educational buildings and providing a range of facilities and services for children, young people, parents and the wider community. The incorporation of Community Use Agreements across all new BSF sites further ensured a fully inclusive approach had been adopted and the wider community could enjoy great facilities throughout the borough.

At the conclusion of the BSF delivery programme, it was noted that far more had been delivered than anticipated in the original OBC despite the significant reduction in funding. At the end of the programme successful delivery of 8 new-build schools and 6 remodel/refurbishment schemes had been achieved. This demonstrated an additional 4 new-build schools to the original Outline Business Case proposals and in addition, Lawley Village Primary Academy was a further new build primary school constructed by Wates and delivered through the BSF framework Future Schools Agreement.

The BSF programme had resulted in outstanding school and community sports and leisure facilities delivering against the key recommendations of the Council's Leisure Facilities Framework and Playing Pitch Strategy. The 'Iconic' sports facilities at Langley included both regional and national standard provision and Dawley had hosted a number of national sporting events including both hockey and BMX. Usage at the Langley site had doubled that of the old Phoenix Sports Centre.

Community Use Agreements were in place or were being finalised in respect of the new build school sites, ensuring that the facilities were available and accessible by local clubs and groups. These facilities along with those directly managed by the Council's Leisure Services will make a significant contribution toward the Council's Health & Wellbeing agenda.

Furthermore, of the £201m programme value, nearly a quarter of this totalling £44.6m was contributed through Council and other external investment to help make the sport and learning community vision a reality. The additional funding was able to be spent on major elements of work that grant funding would not cover and enabled the BSF programme to offer so much additionality through a range of sport, health and community facilities

Members noted the closure of the programme and the closing financial position; and that outstanding tasks as at 31st August 2017 would be allocated to the most appropriate service delivery area for continued management and completion.

Members welcomed the report and noted that the Council had exceeded the challenging targets set in 2011 for the Building Schools for the Future project, particularly with the building of additional schools and that Telford & Wrekin had been one of the few authorities to retain the central funding. It was also noted that this was testament to the outcomes that capital investment could achieve; substantial progress had been delivered with excellent quality school buildings that the Borough could be proud of. Members commended the Assistant Director: Education and Corporate Parenting for his leadership and direction and attributed the success of the project to him and his Officers. Members noted that the Assistant Director was leaving a fantastic legacy for the children of Telford & Wrekin.

RESOLVED that –

- (a) the achievements of the BSF Programme against the original Outline Business Case dated December 2008 be noted;**
- (b) the formal closure of the BSF Programme from 1st September 2017 be approved;**
- (c) the additional borrowing requirement be approved; and**
- (d) outstanding tasks be allocated to the most appropriate Service Delivery Area.**

CB-112 SEND Strategy

Key Decision identified as **Strategy for Children and Young People aged 0 – 25 years with SEND** in the Notice of Key Decisions published on 14 June 2017.

Councillor S A W Reynolds, Cabinet Member: Education and Skills presented the report of the Assistant Director: Education and Corporate Parenting which provided an update on the information that had been included in the Special Educational Needs and Disabilities (SEND) Strategy in the light of recent changes to the legislation regarding the support that the Local Authority was able to give to Children and Young People with special educational needs and disabilities.

Members noted the Council's vision, principles and priorities which would ensure that children and young people aged from 0 to 25 with SEND across Telford and Wrekin made excellent progress; achieved the best possible outcomes, opened doors for their own future and enabled them to become active citizens within their community.

The proposed new policy focused on the council's statutory duty to identify, assess and meet the needs of young people with special educational needs and disabilities. A major focus for the strategy was on early identification and support for children with special educational needs, working with mainstream schools to ensure high quality provision which would not only meet the needs earlier but will also reduce the demand on Special Schools.

Members noted the comments made by Ofsted following the recent SEND inspection; that children and young people with SEND received support at the right time in Telford & Wrekin.

RESOLVED that –

- (a) the Strategy be approved; and**
- (b) authority be delegated to the Cabinet Member for Education & Skills and the Assistant Director for Education and Corporate Parenting to make any amendments to the policy which may result from any external inspection.**

CB-113 Telford Land Deal

Key Decision identified as **Telford Land Deal: Transfer of residual land from HCA to TWC** in the Notice of Key Decisions published on 14 June 2017.

Recommendations for Full Council – not subject to Call-in.

Lead Cabinet Member L D Carter, Cabinet Member: Finance, Commercial Services and Economic Development presented the report of the Assistant Director: Business, Development and Employment which provided an update on the investments into both commercial and residential development over the past 12 months.

Driven by initiatives including the £50m Growth Fund, the subject of a twin report to Cabinet, and the Telford Land Deal, the new developments, a number of which were close to completion and delivering new local job opportunities were a key part of the Council's commitment to 'creating a better Borough'.

The Council entered into the Telford Land Deal with the HCA in March 2016 and was set to see £44.5m of land receipts from the sale of agreed Homes & Communities Agency (HCA) assets in Telford recycled back into the local area, supporting the delivery of new homes, jobs and commercial floor space.

Formally signed just over one year ago the Deal had already delivered gross land sales of c.£7.2m, 277 new homes and over 400 new jobs – many highly skilled – with construction work benefitting local companies and new investors set to stimulate further growth in the supply chain.

Over the next 12 months the Deal was set to deliver a further circa £17m of gross land sales, close to 600 jobs and over 300 new homes. In addition over the next 12 months investment through the Deal would support the delivery of a new Innovation Park in Newport providing opportunities for start-ups and larger companies to invest and enabling the Borough to build on the opportunities in the Agri Technology sector – establishing its reputation as a national focus for this growth sector.

By the end of 17/18 it was also anticipated that the Deal would deliver circa £3m in local profit share – a cut of the profits from land sales which had been achieved above the HCA base land values. This would be the first time the local area had shared in such profits previously returned to the Treasury. The Report sought approval to a delegated procedure for the determination of where and what the uplift monies generated were invested in.

The Report also confirmed that agreement had been reached in respect of the transfer of the HCA liability sites (i.e. those that had no development value) which was a condition of the original Deal and sought approval for how the capital balance of dowry monies received from HCA to support the maintenance of these sites, should be treated.

It was noted that since the basedate of the Telford Land Deal the Deal had delivered the sale of 8 commercial sites and 7 sites for residential development. This had achieved a gross sale income of **£7,175,562**. The sites had delivered Employment Floor Space (EFS) of **35,504sqm** and **277** new homes and the commercial premises were anticipated to deliver c.**405** new jobs, many in engineering and manufacturing adding skilled job opportunities for the Borough's communities.

A further 8 commercial sites and 2 residential sites were currently being negotiated and were anticipated to achieve a gross sales income of c. **£17million** in 2017/18 delivering new employment floor space of **41,467sqm (446,184sqft)**, anticipated job numbers of c.**588** and **320** new homes.

The Deal alongside the Council's Enterprise Telford business pledge and the Council's ability to provide land, build and lease bespoke properties and offer a full turnkey solution through its **£50m Growth Fund** was driving a high number of enquiries and meant sites coming forward even faster than envisaged in the original programme. The Borough was seeing significant interest from the automotive and advanced manufacturing sector due in part to the continued growth of Jaguar Land Rover in the midlands region and the strength of the existing supply chain in the Borough with many resident companies expanding. Other related sectors that were active and expanding included food processing and agri tech, with the Land Deal set to make a £1m investment alongside the Government's LGF3 investment into delivering a new 10 Ha Innovation Park in Newport.

The investments coming forward were dominated by new investors entering the Borough or existing companies expanding taking additional floorspace/premises and was not leading to a major displacement of local companies from other local estates. The void level for industrial premises across all the Borough's estates was low with Telford & Wrekin Council currently holding only 2 voids across the over 300 industrial units within the Property Investment Portfolio with Andrew Dixon, a local agent managing a significant local portfolio commenting recently on the limited void stock across Telford.

Members noted that the scale of investment continued to see the Borough established as a major inward investment destination and was delivering infrastructure, jobs and homes that were key to the Council's commitment to 'creating a better Borough'.

RESOLVED –

- (a) that the outcomes achieved since the Land Deal was completed as set out in section 4 of this report be noted;**
- (b) that authority be delegated to the Assistant Director: Business, Development & Employment in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance, Commercial Services and Economic Development to consider the business case and determine the use of uplift monies, in line with the parameters set out in section 5 of this report;**
- (c) that authority be delegated to the Assistant Director: Business, Development & Employment and Assistant Director – Neighbourhood & Customer Services to undertake the investments (as appropriate to the Service Area lead) following approval to the business case as set out in 2.2 of the report;**
- (d) TO RECOMMEND TO FULL COUNCIL that delegated authority be given to the Assistant Director: Business, Development & Employment in consultation with Assistant Director: Finance & Human Resources and the Cabinet Member Council Finance, Commercial Services and Economic Development to consider the business case and determine the investment of the balance of the liability capital settlement as set out in section 6.2 of this report; and**
- (e) TO RECOMMEND TO FULL COUNCIL that delegated authority be given to the Assistant Director: Business, Development & Employment to undertake the investments following approval to the business case as set out in the report at 2.4.**

CB-114 £50m Growth Fund Update

Key Decision identified as **Enterprise Telford – Driving Growth and Prosperity** in the Notice of Key Decisions published on 14 June 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services and Economic Development presented the report of the Assistant Director: Business, Development and Employment which provided an update since the Council launched its strategy for economic development; ‘Enterprise Telford: Driving Growth and Prosperity’ in May 2016. The strategy set out how existing businesses would be supported to grow and how the Council would compete nationally and internationally to attract inward investment delivering jobs, supporting local communities and generating income for the Council to invest into frontline services. The Strategy’s success underpinned the Council’s commitment to ‘creating a better Borough’ delivering new jobs, homes and infrastructure across our communities, providing opportunities for local supply chain and construction companies.

As part of Enterprise Telford the Council had established a £50 million Growth Fund which was being used to invest directly into land, property and strategic infrastructure enabling local businesses to expand and drawing in new investors and delivering a revenue return to the Authority to invest into front line services. To date over £29m had been invested which was supporting the generation of c.1000 new jobs and set to safeguard a further 400. The investment would also deliver an ongoing net return after borrowing of £1m of which some £750k was linked to long term lettings of between 8 and 15 years. The report provided an update on some of the investments made to date. The report also sought approval to offer asset management services to other organisations looking to invest capital into property providing an additional income stream to the Authority and further supporting the delivery of new jobs in the Borough.

RESOLVED that –

- (a) the outcomes of the Growth Fund investments to date be noted and the amended scope of investments to be made through the Growth Fund as set out in this report be approved; and**
- (b) authority be delegated to the Assistant Director: Business, Development & Employment, to negotiate and enter into all necessary agreements with other organisations looking to invest in property.**

CB-115 Investing in Telford at 50

Key Decision identified as **Investing in Telford at 50** in the Notice of Key Decisions published on 14 June 2017.

Leader of the Council, Shaun Davies, Cabinet Member: Neighbourhood Services and Pride Programme presented the report of the Managing Director which provided an overview of proposals for investing in Telford to commemorate its 50th birthday.

Members noted that the Council remained committed to the vision of Telford as the Place of Enterprise, Innovation and Partnership, and driving growth in the Borough was key to this vision. The Pride in Your Community Programme was established in 2014 to ensure investment was made in the Borough's infrastructure and within our local communities. The Pride programme comprised of a number of key strands including investment in the physical infrastructure in the Borough, investment in high streets and local centres and in the community. In March 2017 Council had agreed to invest a further £2m into the Pride in Your Community Programme. This was made up of £1m of capital and £1m of revenue funding.

In 2018 Telford's 50th birthday would be commemorated as a significant milestone in the development of the town. It was proposed that the £2m community pride themed funding would be invested in creating a legacy for Telford that both celebrated the Borough's history and would also help to support the future growth of the Borough. It was proposed that the funding was divided into two themes, £1m for a 'legacy' fund including £50,000 being made available to support community organisations to celebrate Telford at 50. The other £1m would be invested in projects that supported the delivery of the Council's existing priorities, help to build resilient and strong communities and to reduce demand upon public sector services. This fund would help Telford to achieve the aspirations of our communities as set out within the Council's priorities. Community consultation would be held during the summer of 2017 to seek views on what the focus of the legacy fund would be.

The Council was committed to continue to work with partners such as our Town and Parish Councils, Voluntary and Community Organisations and local communities to ensure that the best was achieved for the residents of Telford. The Council continued to operate within a challenging financial climate and would work with partners to find new ways of delivering services. 'Being the Change' outlined the need for us to build community capacity to improve outcomes for our residents and to reduce the demand on public services. The Community Participation Team had a key role to play in supporting community capacity building in the Borough. It was recognised that investment would be required to build the capacity of organisations and our communities, therefore a capacity building fund of £695,000 was also agreed by Council in March 2017 as part of our 2016/17 to 2019/20 financial strategy. It was proposed that this fund would be used to invest in community capacity building, to support a number of key priorities for the Council such as volunteering, supporting the development of organisations that could contribute towards reducing the demand on Council services and deliver our priorities. This would be a flexible fund which would support the costs of DBS checks, training for groups such as voluntary youth groups and would enable the allocation of small grants to groups that were aiming to work in partnership with the Council.

Members noted that this would bring the Communities together right across the Borough, public interest was already visible and some of the key organisations in the Borough were looking to mark the celebration.

RESOLVED that it be approved that–

- (a) the ‘Telford Pride @ 50 Fund’ of £2m is implemented as set out within this report, comprising of a £1m ‘legacy fund’ with consultation on the themes for the fund being carried out between July and September 2017;
- (b) £50,000 of the ‘legacy fund’ is allocated to organisations to support the delivery of a programme of community led 50th Birthday celebrations;
- (c) £1m of the ‘Telford Pride @ 50 Fund’ is used to support projects and schemes that deliver the Council’s priorities, strengthen our communities and reduce demand on Council services;
- (d) authority be delegated to the Managing Director, in consultation with the Leader of the Council to implement the ‘Telford Pride @ 50 Fund’, to allocate funding in line with the themes identified for the legacy fund and to support the delivery of Council priorities; and
- (e) a Community Capacity Building Fund of £695,000 is implemented as outlined in this report, and that authority be delegated for the allocation of this fund to the Community Participation Team Service Delivery Manager in consultation with the Cabinet Member Customer Services, Tourism and Partnerships.

CB-116 Developing an Online Local Authority Lottery

Key Decision identified as **Developing an Online Local Authority Lottery** in the Notice of Key Decisions published on 14 June 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services and Economic Development presented the report of the Managing Director which set out proposals to launch an Online Local Authority Lottery (OLAL) to assist local good causes in raising funds to support the good work they do in our communities and to contribute to a stronger community as we celebrate Telford at 50. It was noted that it had become increasingly difficult for Voluntary and Community Sector (VCS) organisations to secure funding to support the core delivery of their services. The Council was committed to supporting the VCS to build their capacity and to ensure that we work together to deliver positive outcomes for residents of Telford with the limited resources we now all have.

An OLAL would allow players to choose a local good cause to support or they could support the central fund, the Local Authority would choose how the central fund was allocated to support local need. It was proposed that the central fund was allocated to support delivery of the Council’s priority relating to vulnerable adults and children.

It was proposed that the Local Authority sought an External Lottery Manager (ELM) to manage the lottery on its behalf, following the initial set-up cost the costs incurred by the ELM would be funded through the sale of tickets.

RESOLVED that –

- (a) the proposal to launch an Online Local Authority Lottery as part of our programme to celebrate Telford at 50 be approved and to seek an External Lottery Manager to run the lottery on the council's behalf on the basis of a 3 year contract;**
- (b) authority be delegated to the Managing Director, in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development to set up an online local authority lottery and make any appropriate application as necessary to the Gambling Commission in order to establish the online local authority lottery;**
- (c) the Managing Director be indemnified, including the securing of adequate insurance, in relation to any liability that may arise from being the named operating licence holder on behalf of the Council;**
- (d) the allocation of central fund monies to help to support delivery of our priority relating to vulnerable adults and children as outlined in 4.3 of this report be approved;**
- (e) authority be delegated to the Managing Director in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development to allocate the central fund to projects that support our priority relating to vulnerable adults and children.**
- (f) authority be delegated to the Managing Director in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development to finalise the details of the scheme, including for example the lottery name and application criteria for good causes.**

The meeting ended at 5.50pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 19 July 2017

Signed:

Date:

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 29 June 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 5 JULY 2017

(DEADLINE FOR CALL-IN: MONDAY, 10 JULY 2017)

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

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

CB-093 Apologies for Absence

Councillors A R H England and R C Evans

CB-094 Declarations of Interest

None

CB-095 Minutes

RESOLVED – that the minutes of the meeting held on 18 May 2017 be confirmed and signed by the Chair.

CB-096 Service & Financial Planning Report – 2016/17 Outturn and 2017/18 Update

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 31 May 2017.

Recommendations for Full Council – not subject to Call-in.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Commercial Services which informed Members of the final outturn position for Revenue and Capital for 2016/17, and the initial trends for the current financial year.

In anticipation of the financial challenges to be faced over the next few years, the Council had actively managed its budget throughout 2016/17 and had ended the year in a very positive financial position. This would not only assist in 2017/18 but would also allow some one off investment in key areas to drive forward improvement and fund developments.

The gross revenue budget for 2016/17 was £433m and the net budget was £122m. The revenue outturn position was within budget with a final net underspend of £0.166m (equivalent to only -0.1% of net budget) after the proposed transfers to reserves and

balances had been made. This position had been achieved after delivering £16m of budget savings in 2016/17, on top of the £80m made in the previous 7 years.

However, the funding outlook for the medium term was still very uncertain, despite the Government's commitment to a Four Year Grant Settlement and due to the current review of the Business Rates Retention Scheme. This was the most significant and fundamental change to local government financing in recent times and encompassed a review of the Relative Needs formulae and moving to 100% Business Rates Retention combined with the transfer of extra responsibilities and Functions to local authorities. The design of the new system was subject to consultation and no detailed information for individual authorities was likely to be known until late 2018.

It was therefore not possible to provide any real certainty on the further cuts which the Council faced but it was anticipated that a further £30m would need to be identified by the end of 2019/20 on top of those savings already approved by the Council for 2016/17 and 2017/18. This brought the total savings to around £130m by the end of this period.

Due to the active and strong financial management exercised by Cabinet Members and budget holders, the Council had been able to create a number of provisions from the 2016/17 outturn position to support its priorities and sustain its financial position going forward.

The main service pressures experienced in 2016/17 related to Early Help & Support (£3.9m overspend, mainly on the cost of purchasing care packages from external providers) and Children's Safeguarding (£4.1m overspend due to a combination of Children in Care placements and the cost of using agency staff).

Capital spend ended the year at £73.7m against an approved estimate of £87.1m which was in the main due to re-phasing expenditure into 2017/18. This underspend would result in some further treasury management savings to be made in 2017/18.

Rates of Council Tax collection (£75m), Business Rates collection (£76m) were ahead of target for the year and Sales Ledger Income collection rate (£37m) was slightly behind.

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

In conclusion, the Council faced another very challenging year in 2017/18, and the report highlighted a number of key issues and cost pressures, along with measures being taken to control and monitor expenditure. A further update would be brought to Cabinet in July once the final accounts were completed.

RESOLVED to RECOMMEND to COUNCIL that -

- (a) the Revenue outturn position for 2016/17 and related virements in Appendix 3 of the report, which is subject to audit by the Council's external auditors, be approved;**

- (b) the transfers to reserves and associated approval to spend the reserves as detailed in the report at section 5 and Appendix 2 be approved;
- (c) the supplementary revenue estimate in relation to the additional Adult Social Care Grant announced after the Council's budget was set detailed in paragraph 9.1 of the report be approved;
- (d) the Capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix 4 to the report and as summarised in the report be approved;
- (e) the performance against income targets be noted; and
- (f) the key issues identified for 2017/18 be noted;

CB-097 Procurement Update Report

Key Decision identified as **Procurement Update Report** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Governance, Procurement & Commissioning which provided an update on the Council's Procurement Intentions Document and the latest information regarding effective procurement and contract management.

It was noted that council wide procurement continued to drive savings through robust competitive tendering and real time negotiation when brokering services.

The Procurement Team were taking a proactive approach with supporting colleagues to make an early start when retendering. They would contact the contract manager up to 12 months in advance of their contract expiring to support scoping and market management. This would ensure that last minute contract extensions were avoided and that there was time to plan for the most economically advantageous tender.

Early Market engagement was a key factor in getting the outcome right first time and on, or under, budget. The Public Contract Regulations 2015 actively encouraged pre market engagement with suppliers and the Council was fully embracing this opportunity wherever possible.

Examples of recent successful pre market engagement included the Street Lighting contract led by Waste and Neighbourhood Services Performance Team, the Highways retender process which had recently commenced led by the Neighbourhood Services Team; Children's Residential services contracts currently under review by the Procurement and Brokerage Team; and the Older People Residential Care Framework.

The regular Procurement Intentions Document was set out at Appendix 1 to the report. The document presented up and coming procurements for the next few months.

RESOLVED that –

- (a) the procurement updates in the report be noted; and**
- (b) the Procurement Intentions Document (Appendix 1 to the report) be noted and, where indicated, authority be delegated to appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award.**

CB-098 Young High Street Challenge

Key Decision identified as **Young High Street Challenge** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Business Development and Employment.

The Borough's strategy for economic growth acknowledged a focus on both major inward investment and business growth and supporting local businesses particularly in high streets was needed in order to grow. High streets were important in their local communities and a number were also important assets in attracting visitors locally and regionally through events such as Wellington's annual literary festival, Newport Show and the Ironbridge walking festival. However, in tandem with the national picture, the borough's high streets were threatened by changes in household spending patterns, shopping culture and recreation trends. The Pride in the High Street programme aimed to address these challenges by supporting local high streets to maintain their role as the centre of communities.

One element which had been missing from most national high street initiatives was the direct engagement of young people. The 'Enterprise Telford - Young High Street Challenge' proposed to build on the work the Council was already doing through the "Life Ready, Work Ready" scheme to engage schools age children in enterprise and business and encourage future entrepreneurs by providing an opportunity for young people to bring new ideas to the regeneration of the Borough's high streets. Working with a Telford-based national name in youth engagement in enterprise, - Enterprise Days – the Challenge would engage with more than 1,000 young people to think creatively about new and innovative ideas to regenerate the borough's high streets, recognising that there was a need to attract young people to the high street as the customers and high street entrepreneurs of the future.

The Young High Street Challenge would see Enterprise Days work with secondary schools to develop innovative and practical ideas to increase the attractiveness of a high street(s) leading to an event in Global Entrepreneurship 2017 to present and select a project or projects to be taken forward and implemented in the Borough. The Challenge would culminate in an event in GEW 2018 to celebrate what has been achieved.

The Challenge would compliment investment through the Pride programme into the physical infrastructure of the borough's communities and high streets and the work through

Festival Telford and Discover Telford to support the marketing and attraction of local high streets. By bringing together all of these elements it was aimed to have a positive and lasting impact on the economies of the borough's high streets, supporting footfall, retaining and growing the high street offer and benefitting residents across the Borough.

Members welcomed the initiative.

RESOLVED that –

- (a) the Young High Street Challenge concept and method of delivery be approved; and**
- (b) authority be delegated to the Assistant Director: Development, Business & Employment to agree the terms and sign the Grant Funding Contract.**

CB-099 Academy Conversion Process: Proposed Recoupment of Costs

Key Decision identified as **Charging for Academy Conversion Costs** in the Notice of Key Decisions published on 31 May 2017.

Councillor S A W Reynolds, Cabinet Member: Education & Skills, presented the report of the Assistant Director: Education & Corporate Parenting which set out an overview of the Academy conversion process, the responsibilities and obligations that applied to the Local Authority, including an indication of the resources needed to meet the requirements, and sought approval for a proposal to secure a contribution from schools, dependent upon the circumstances of the school.

The Academies Act 2010 gave all maintained schools the opportunity to become academies. Academies were independent of Local Authority control and were able to set their own pay and conditions for staff and buy in private services; including buying back services from the Local Authority should they so wish.

There was no statutory requirement for any formal relationship to exist between Local Authorities and Academies beyond that which was required for the delivery of statutory duties. However, councils continued to play a key strategic role locally and Telford and Wrekin recognised that there were significant advantages for both academies and Local Authorities in constructive partnership working.

When entering into an Academy conversion, schools received a grant from the DfE of up to £25,000 towards their conversion costs. The Council received no direct source of funding to cover the costs linked to Academy conversions, however, there was a great deal of officer time required to ensure smooth transfer arrangements were undertaken within a reasonable timeframe.

Given both financial and staffing pressures it was proposed that the Council should seek to recoup costs associated with the Academy conversion process. Recoupment of costs would not reduce school budgets, as the funding was provided separately by Central Government. It was proposed that the Council would seek to recoup a contribution towards

their costs within the range of £4500 to £6500 with the maximum contribution being capped at £6500.

RESOLVED that –

- (a) **the principle of the recoument of the local authority's costs from schools in relation to the academy conversion process from September 2017 be approved; and**
- (b) **authority be delegated to the Cabinet Member for Education and Skills and the Assistant Director: Education and Corporate Parenting to determine the level of charge to be levied dependent upon individual school factors and also to take responsibility for reviewing charges on an annual basis.**

CB-100 Housing Investment Programme

Key Decision identified as **Housing Investment Programme Update** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Business, Development & Employment which provided an update on the programme to the year ending 2016/17 and an overview of proposals contained within the updated Business Case, appended to the report at Appendix 1.

The Housing Investment Programme (HIP) was a strategic programme, delivering a portfolio of properties for private and affordable rent. Nuplace Ltd was the Council's chosen delivery vehicle for the programme. Having been incorporated in April 2015, Nuplace had been operational for just over two years with 2016/17 being a key year in which the company moved from the purely developmental to the operational phase of the programme. This had allowed many of the assumptions of the original Business Case to be tested for the first time. Over this period Nuplace had:

- Developed, and fully let, 136 houses for private rent at Pool View (Randlay), Woodlands Walk (Madeley) and The Oaklands (Dawley).
- Commenced development of a further 154 homes at The Oaklands, (Dawley), Miners Walk (Madeley), Blossom Walk (Hadley) and Springfields (Newport)
- Pre-let over half of the properties on The Oaklands and Miners Walk, despite these sites not due to be complete until May 2018 and September 2018 respectively.
- Delivered combined income to the Council of £1.322m for financial years 2015/16 and 2016/17, of which £0.538m was as a result of services provided to Nuplace by the Council, and £0.785m represented interest on debt finance provided to Nuplace.
- Delivered a profit before interest and taxation to Nuplace Limited for the year ended 31 March 2017 of £438k, and £274k after interest but before taxation, (based on unaudited accounts)
- Through construction contracts for those sites completed, or in delivery, stimulated growth in the local economy amounting to £77.7m as a result of the investment made in the Housing Investment Programme.

- Worked with Lovell to support employment and training in the local economy by providing 40 weeks of work placements, 314 weeks of apprenticeships and 33 weeks of graduate training.
- Regenerated 20 acres of brownfield land, across six sites in the Borough.

Overall, the programme was performing well against the original priorities. Given continued demand and sustained rental values, development of two and three bed properties should continue to be an integral part of Nuplace's business plan. However, there was a danger that over reliance on one section of the market would make Nuplace's business model vulnerable to changing market conditions. Furthermore, assuming that the private rented sector (PRS) continued to grow at the rate experienced in the previous year, it was likely that by the end September 2018, when Phase 2 developments were complete, that Nuplace would have a significant 14% share of the PRS market in the Borough, with the majority of this being located in south Telford.

In the context of current market conditions and the location, mix and tenure of Nuplace's existing portfolio, opportunities for expansion had been identified which sought to respond to the original objectives contained within the business case. These proposals had been included within an updated Business Case, included at Appendix 1 to the report. This identified a further five sites across which these objectives would be delivered. Feasibility work had been undertaken to varying degrees with a view to determining deliverability and viability with the decision to include the identified sites, or other sites, within the programme to be subject to a full viability appraisal and approval of the HIP Board.

The inclusion of these sites would bring the number of properties to be developed to 500, from the originally envisaged 425, but the principal of development was considered to be largely consistent with the original objectives for the programme.

Members welcomed the programme and noted the importance of a trusted landlord in the PRS and the security of tenure which the Council could provide.

RESOLVED that –

- (a) the revised Business Case included at Appendix 1 of the report be approved;**
- (b) the revised terms of reference for the HIP Board included at Appendix 2 of the Business Case be approved;**
- (c) authority be delegated to the Managing Director in Consultation with the Assistant Director for Finance & Human resources, the Leader and Cabinet Members for Housing & Enforcement and Finance, Commercial Services & Economic Development to:**
 - (i) execute any documents, as required, to implement the recommendations contained within the revised Business Case;**
 - (ii) execute any agreements, as required, for the disposals or acquisition of land required to give effect to the recommendations contained within the Business Case; and**

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

CB-101 Pride in Our Community by Securing Safer, Cleaner Neighbourhoods through appropriate use of our Enforcement Powers

Key Decision identified as **Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines** in the Notice of Key Decisions published on 31 May 2017.

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Customer & Neighbourhood Services which proposed a revised and robust approach to enforcement activity outlined in this report.

A number of specific Regulatory and Enforcement teams across the Council worked together to deal with various aspects of anti-social behaviour and environmental crime. These included the Public Protection team who dealt with, amongst other things, noise, waste on private land, rodent infestations, statutory nuisance and poor housing conditions, whilst Planning Enforcement Officers dealt with problems such as unsightly land and buildings which affected the amenity of the local area and often also harboured other related problems such as rubbish and rodents. Likewise the Environmental Enforcement team had traditionally dealt with more direct environmental crime such as littering, abandoned vehicles and dog fouling through the use of fixed penalty notices.

It was recognised that to effectively tackle the problems associated with anti-social behaviour and environmental crime the Council needed to ensure that it worked with all stakeholders to encourage them to take responsibility and an active interest in the areas in which they lived, worked and invested.

As part of the Pride in our Community programme keeping the Borough a clean and safe environment to live and work was a key priority for the Council. Over the last few years the number of litter bins across our borough had increased, a new 7 day a week, 362 days a year Household Recycling Centre at Hortonwood had opened, discounts on the bulk collection service had been offered, and a number of enforcement campaigns had been run such as the 'Angry Eyes' campaign which focussed on dog fouling and littering. However despite all of those actions there remained a small minority of the population who blighted the community through incidents of anti-social behaviour such as fly tipping, littering, dog fouling, graffiti etc. The report focuses on the level and type of enforcement activity that was proposed to address this challenge and in doing so working with partners such as the police, Town & Parish councils and the community to tackle the issues together. A programme of training for the Regulatory and Enforcement teams was planned and a communications plan was being developed with the aim of supporting the reduction of all forms of environmental crime by increasing understanding and awareness of the issues and the work the Council does to tackle them.

The Cabinet Member noted recent prosecution successes with regard to taxi drivers plying for hire and fly tipping.

The report was considered alongside the following agenda item, 'Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines.'

Members welcomed the report and the message that the Council would take a robust enforcement approach towards those individuals who continued to engage in the anti social behaviours described in the report.

- (a) the revised and more robust approach to enforcement activity outlined in the report be endorsed;**
- (b) the impact of a more robust approach to the enforcement of environmental and other crimes be monitored by the Cabinet Member for Housing and Enforcement working closely with the Assistant Director for Customer & Neighbourhood Services**

CB-102 Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines

Non Key Decision

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Customer & Neighbourhood Services.

Environmental legislation gave Councils the power to issue Fixed Penalty Notices as an alternative to prosecution for certain low level environmental and ant-social behaviour offences. A Fixed Penalty Notice was a means to give a person who had committed a relevant offence the opportunity to pay a fine and in so doing discharge their liability to conviction. The Council had flexibility to set the level of a fixed penalty charges for certain offences whilst the remaining were set in law. Before enforcing the relevant fixed penalty powers the Council was required to set out its Enforcement Policy and set the level of Fixed Penalty Fine to be levied in accordance with Regulations.

RESOLVED that –

- (a) the levels of fixed penalty fines at the levels set out within Section 9 of the Environmental Enforcement Fixed Penalty Notice Policy 2017 as attached at Appendix 1 of the report be approved; and**
- (b) the Environmental Enforcement Fixed Penalty Notice Policy 2017 as attached at Appendix 1 of the report be approved.**

CB-103 Telford & Wrekin Homelessness Strategy

Non Key Decision

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Commercial Services which fulfilled the statutory duty of the Council as a Housing Authority to review and update its Homelessness Strategy. The existing Homelessness Strategy was developed in 2013 and due to recent changes with the management of the Housing Services there was an opportunity to review the strategy.

A review had been carried out of the borough's current homelessness situation, trends and needs within Telford & Wrekin. This had identified that whilst homelessness applications and acceptances had been on a downward trend, there remained concerns around particular groups such as those suffering from domestic violence and young people.

Engagement sessions were held with various organisations, internal and external services and through the Customer, Community and Partnership Scrutiny Committee to identify key actions to produce a new Homelessness Strategy for the next five years.

Four key priorities had been identified with actions relating to each priority to produce a clear Homelessness Strategy including key actions to deliver these priorities:-

- Provision of high quality housing advice for all
- Prevention of homelessness
- Effective management of temporary accommodation
- Prevention of rough sleeping.

It was proposed to develop the Homelessness Strategy a detailed delivery plan that would be reviewed annually by the Homelessness Partnership Group.

RESOLVED that –

- (a) the Homelessness Strategy for the period 2017 - 2022 be approved; and**
- (b) authority be delegated to the Assistant Director for Commercial Services in consultation with the lead cabinet member for Housing & Enforcement to agree the annual homelessness delivery plan and the annual review of the plan, which will involve taking into account feedback from the Homelessness Partnership Group.**

CB-104 Representation on Outside Bodies 2017/18

Non Key Decision

Councillor S Davies, Leader presented the report of the Assistant Director: Governance, Procurement & Commissioning which set out the appointments to outside bodies that the Council was required to make for 2017/18. Nominations had been sought from the political groups for those appointments that were not by position. Following discussions with the political groups, a list of representatives for approval by Cabinet had been proposed, and this was tabled as Appendix 1.

RESOLVED – that the nominations to represent the Council on Outside Bodies for 2017/18, as set out in Appendix 1 of the report, be approved.

The meeting ended at 5.52pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 5 July 2017

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET – 13 JULY 2017

COUNCIL – 21 SEPTEMBER 2017

2017/18 FINANCIAL MANAGEMENT REPORT

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

LEAD CABINET MEMBER: CLLR LEE CARTER

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2017/18 Revenue

The net projected outturn position for 2017/18 is estimated to be within budget. This is after taking into account the specific contingency of £2.5m earmarked in the 2017/18 budget strategy for Early Help & Support pressures but without using any of the centrally held contingency.

It is a positive start to the year given that £13.8m savings were required to balance the 2017/18 budget and the aim is that senior managers will sustain this position and make further improvements where possible by year end.

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

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

- A benefit of £2.3m relating to Treasury Management activities - the majority of which relates to benefits from low interest rates for short term borrowing.
- Children's Safeguarding is a key pressure with an overspend of £1.0m being reported which is a combination of the cost of placements for Looked after Children, the cost of social workers and barrister costs. A four year model is in place which is designed to deliver efficiencies over the remainder of the year and medium term.
- Early Help & Support – overall the service is currently projecting to be within budget at year end. Purchasing care costs are £0.3m overspent which is being offset by employee savings.

The funding outlook for the medium term is still uncertain however it is anticipated that the Council will need to identify a further £15-£20m savings by the end of 2019/20 on top of the £13m already identified for 2017/18, so it is important that we maintain our excellent track record in managing budgets and maximise the position in 2017/18 which will assist in future years.

1.2 Capital

The capital programme totals £107.8m which includes all approvals since the budget was set. At the time of compiling this report projected spend was 98% of the budget allocation.

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

1.3 Corporate Income Collection

Council Tax and Business Rates collection are slightly behind targets set. The level of outstanding Sales Ledger debt is ahead of the target set for the year. Overall, the amount of cash collected is higher than at the same point last year. In total £9.9m more cash has been collected than at the same point last year.

2.0 RECOMMENDATIONS

2.1 Cabinet Members are asked to:-

- (i) Note that 2017/18 revenue spending is currently projected to be within budget and continue to work with SMT to sustain this position;
- (ii) Note the position in relation to capital spend and Cabinet are asked to recommend that Council approve the new allocations, virements and slippage detailed in Appendix 3;
- (iii) Note the collection rates for NNDR, council tax and sales ledger;

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Delivery of all priorities depend on the effective use of available resources. Regular financial monitoring in the financial management reports helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within the budget set for 2017/18 at 31/3/18.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and ensure that the Council takes action if overall net overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4.0 2017/18 REVENUE BUDGET

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

4.2 The overall 2017/18 budget position is summarised in the table below:

Service Area	Current Variation
	£
Business, Development & Employment	0
Finance & HR	(2,300,000)
Cooperative Council Team	0
Children's Safeguarding	1,016,192
Education & Corporate Parenting	493,540
Early Help & Support	(0)
Governance, Procurement & Commissioning	210,020
Health & Wellbeing	36,079
Customer & Neighbourhood Services	0
Commercial Services	25,000
Council Wide	0
Total Projected Variation	(519,170)
Use of Contingency	0
Total Projected Underspend	(519,170)

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

Service Area	Variance £m
<u>Business, Development & Employment</u>	
There are no variations over £100k to report at present.	
<u>Finance & HR</u>	
Treasury Management – a benefit is currently reported due to reduced borrowing costs associated with short-term borrowing at very low interest rates. The position is regularly monitored by senior finance staff and the Council's external treasury management advisors and some longer term borrowing has been undertaken in 2017/18 to manage the risk of interest rate exposure.	-2.300
<u>Cooperative Council Team</u>	
There are no variations over £100k to report at present.	

<p><u>Children's Safeguarding</u></p> <p>Children in Care Placements – considerable investment was made into this area as part of the budget strategy and the service has a 4 year placement model to ensure that the medium term strategy is delivered. The reported overspend reflects a variation in placement type numbers however it is anticipated that with the work underway that profiled savings for future periods should be met.</p> <p>Staffing (Safeguarding) – includes the cost of agency social workers</p> <p>Legal – the overspend reflects an increase in the volume of activity.</p>	<p>+0.261</p> <p>+0.223</p> <p>+0.152</p>
<p><u>Education & Corporate Parenting</u></p> <p>Specialist Services – saving target not fully met; a restructure will take place once the new Assistant Director is in post which will deliver the balance of savings required.</p> <p>Advisory Management and School Improvement traded Advisory Service - This relates to a shortfall against the income target for this area which is to be addressed through a combination of reductions in expenditure across the whole service area and the generation of additional income in other traded areas where possible.</p> <p>School Transport – the overspend relates to a saving target not yet delivered. Further work is being undertaken to verify the level of saving that will be achieved.</p>	<p>+0.111</p> <p>+0.163</p> <p>+0.228</p>
<p><u>Early Help & Support</u></p> <p>Purchasing budgets – the service has a cost improvement plan aimed at reducing expenditure by managing prices and demand. This initial monitoring reflects actual achievement against quarter one targets.</p> <p>Community Safeguarding & Social Work – employee related saving based on the current known structure.</p> <p>Service Improvement & Efficiency – employee related savings based on the current known structure.</p> <p>Community Early Help – employee related savings based on the current known structure.</p>	<p>+0.276</p> <p>-0.104</p> <p>-0.119</p> <p>-0.183</p>
<p><u>Governance, Procurement & Commissioning</u></p> <p>Commissioning – the cost improvement model in Early Help & Support includes a reduction to non-statutory expenditure on Supporting People and further work is required to realise this saving.</p>	<p>+0.268</p>

<p><u>Health & Wellbeing</u></p> <p>There are no variations over £100k to report.</p>	
<p><u>Customer & Neighbourhood Services</u></p> <p>Engineering Service – shortfall against income target due to the number of vacant fee earning posts which have been difficult to recruit to. A service review is currently being finalised for implementation in 2017/18 which includes alternative options which meet the requirements of both internal and external customers of this service, to support the service to achieve revised income targets.</p>	+0.212
<p><u>Commercial Services</u></p> <p>There are no variations over £100k to report.</p>	

CONTINGENCIES

- 5.1 The 2017/18 budget includes a prudent general contingency of £3.386m, which is set aside to meet any unforeseen expenditure, or delays in phasing in the significant level of savings that the Council has to deliver this year. There is also an amount held centrally for contractual inflation totalling £1.196m which forms part of the approved revenue budget and will only be allocated to specific budgets when the relevant inflation information is available. Given the exceptional cuts being made in the Council's budget it is imperative that the Council has a reasonable level of contingency in order to cover increases in demand for services (e.g. safeguarding which can be significant and occur with no warning) and to allow for any delays or shortfalls in the delivery of planned savings. The current position relating to contingencies is shown below:

	£'000
General Revenue Contingency	3.386
Inflation Contingency	1.196
Total Contingencies	4.582
Proposed use:	
There are currently no proposed uses.	
Commitments:	
Required to meet the current revenue overspend	0
Residual Balance	4.582

The current revenue position is a projected underspend therefore there is no call on the contingency to balance the budget at this stage. The full £4.6m remains

available to meet any unforeseen costs in the remainder of the year. It should be noted that RPI was 3.7% in May 2017 from 2% in September 2016 showing an increasing trend over the past 7 months. If this continues there is likely to be pressure on all services and in particular major contracts; the position will be assessed over the next few months. Successful negotiations as part of the triennial evaluation of the Shropshire Pension Fund have resulted in employers pension costs being lower than budgeted. This benefit will be retained until further information in relation to the overall inflation position is known.

As part of the 2017/18 budget process £9.7m was set aside in reserves to provide additional assurance to support both 2017/18 and the Medium Term Financial Strategy.

6.0 **CAPITAL**

6.1 **2017/187 Capital Programme**

The capital programme totals £107.7m, which includes the approvals proposed in this report.

The financial position is shown in the table below which shows projected spend is currently shown at £105.4m.

Service Area	Current Budget	Spend to Date	% Spend	Year End Projection
	£m	£m		£m
Development Business & Employment	53.18	10.8	20%	51.28
Customer & Neighbourhood Services	27.29	1.3	5%	27.29
Education & Corporate Parenting	7.93	0.2	2%	8.57
Early Help & Support	1.15	0.0	0%	1.15
Health & Well-Being	0.57	0.3	45%	0.58
Co operative Council & Commercial Delivery	2.15	0.0	0%	2.15
Governance Procurement & Commissioning	0.54	0.0	0%	0.54
Finance & Human Resources	4.73	0.0	0%	4.73
Commercial Services	10.25	1.5	15%	9.17
Total	107.77	14.1	13%	105.45

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

7.0 **CORPORATE INCOME MONITORING**

7.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding

debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

- 7.2 In summary, the overall position for Sales Ledger is above target while council tax and NNDR collection are slightly behind target. Cash collection has increased for council tax and sales ledger, but is below that expected in NNDR so far.

INCOME COLLECTION – May 2017				
	Actual	Target	Performance	Change in cash collected on last year
Council Tax Collection	19.21%	19.50%	0.29% behind target	+£598,959
NNDR Collection	24.54%	25.20%	0.66% behind target	- £588,343
Sales Ledger Outstanding Debt	5.39%	6.00%	0.61% ahead of target	+9,933,055

7.3 Council Tax (£78.9m)

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

Year end performance 2016/17	97.45%
Year End Target for 2017/18	97.45%

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

Month End Target	Month End Actual	Last year Actual
19.50%	19.21%	19.54%

We have collected over £500k more in council tax this year compared to last year. Collection rates for council tax are 0.3% behind this point last year but does not cause concern this early in the financial year.

7.4 NNDR-Business Rates (£76.5m)

The % of business rates for 2017/18 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year end performance 2016/17	98.49%
Year End Target for 2017/18	98.50%

Month End Target	Month End Actual	Last year Actual
25.20%	24.54%	25.21%

Business rates is 0.66% behind target, although NNDR can tend to fluctuate during the early months of a new financial year. Businesses will be re-adjusting to their new business rate payments following the re-valuation which took effect in April.

7.5 **Sales Ledger (£49.7m)**

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

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2017/18 are as follows:

Age of debt	Annual Target %	May 2017	
		£m	%
Total	6.00	2,678	5.39%

Sales ledger performance is well within target, and performance is looking strong due to payment received from some of the larger invoices which had been outstanding for a period of time.

8.0 **PREVIOUS MINUTES**

02/03/17 – Council, Service & Financial Planning Strategy

19/6/17 - Cabinet, Service & Financial Planning Report – 2016/17 Outturn and 2017/18 Update

9.0 **BACKGROUND PAPERS**

2017/18 Budget Strategy / Financial Ledger reports

Report Prepared by:

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

Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2017/18 Projected Variations

Service Area	Current Variation
	£
Business, Development & Employment	0
Finance & HR	(2,300,000)
Cooperative Council Team	0
Children's Safeguarding	1,016,192
Education & Corporate Parenting	493,540
Early Help & Support	(0)
Governance, Procurement & Commissioning	210,020
Health & Wellbeing	36,079
Customer & Neighbourhood Services	0
Commercial Services	25,000
Council Wide	0
Total Projected Variation	(519,170)
Use of Contingency	0
Total Projected Underspend	(519,170)

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
				No variations to report at present
Total Business, Development & Employment		0	0	
Finance & HR				
Treasury Management			(2,300,000)	Reduced borrowing costs due to low short-term interest rates. The position is regularly monitored by senior finance staff and the Council's external treasury management advisors and some longer term borrowing has been undertaken in 2017/18 to manage the risk of interest rate exposure.
Total Finance & HR			(2,300,000)	
Cooperative Council Team				
				No variations to report at present
Total Cooperative Council Team		0	0	
Children's Safeguarding				
Children in Care Placements		11,780,722	260,672	The total number of Looked after Children total at the end of 2016/17 was 381. At the end of period 2, 31st May, the figure had reduced to 374. Considerable investment has been made in this area as part of the 2017/18 budget strategy. Alongside this the Service has developed a 4 year placement model to ensure that the medium term budget strategy is delivered. The overspend reflects a variation to the model relating to individual placement type numbers but it is expected that the planned work streams should address this going forward so enabling the service to meet it's profiled savings in future periods.
Staffing		7,412,657	222,516	The variation includes a projected overspend of £0.6m against agency budgets which has been netted down by vacancies being carried across the service. The variation reflects a reduction in agency workers through out the year in line with the Cost Improvement Plan which has been developed and implemented by the service. At the end of May there were 12 agency social workers in CPFS and 2 within the Family Connect Service.

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Legal		243,193	152,000	The variation reflects an increase volume in activity (no. children on CIN and CP Plans).
Variations under £50,000		4,968,156	310,534	
Independent Review				
Variations under £50,000		829,895	70,469	
Total Children's Safeguarding		25,234,623	1,016,192	
Education & Corporate Parenting				
Specialist Services		574,274	111,497	In 2017/18 there is an additional savings target on salaries of £100k. An interim deletion of vacancies and the acceptance of specific voluntary redundancies (VRs) has reduced the salary budgets in 2017/18 and the full year impact of VRs will produce further savings in 2018/19. It is intended that the remaining savings to be made will be achieved as part of a full restructure once the new AD is in post.
Advisory management and school improvement traded Advisory Service		184,228	162,951	This relates to a shortfall against the income target for this area which is to be addressed through a combination of reductions in expenditure across the whole service area and the generation of additional income in other traded areas where possible.
School Transport		2,584,681	227,536	The budget reflects a £300k saving in Transport costs and there is ongoing work to achieve this. Further work needs to be done to verify the level of saving that will be achieved from this work and the projection does not assume it fully at this stage.
Contribution from Reserves				
Variations under £50,000		9,174,104	(8,444)	
Total Education & Corporate Parenting		12,517,287	493,540	
Early Help & Support				

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Purchasing	Provision of all types of care to eligible clients	44,453,401	276,396	The continued development of a cost improvement strategy for the next three financial years aimed at reducing expenditure by managing prices and demand, has led to a firm commitment to deliver to agreed activity targets. The monitoring position includes a forecast saving based on the delivery of these targets for 2017/18 and the consequential impact of a reduction to client contributions arising from delivering care to a reducing numbers of people but reflects the actual achievement against Quarter one targets. A tool has been developed by Finance to monitor and report on the performance against these targets on at least a monthly basis
Purchasing Income	income part/fully funding the above expenditure	(9,660,199)	36,415	
Net Purchasing		34,793,202	312,811	
Community Safeguarding & Social Work	Employee or Employee related	2,630,800	(103,541)	Projections based on the current known structure costs and operating costs of the various operational teams the majority being Social/front line Workers
Service Improvement & Efficiency	Employee or Employee related	2,146,623	(119,393)	Projections based on the current known structure costs and operating costs of the Business Support team
Community Early Help	Employee or Employee related	922,738	(182,614)	Projections based on the current known structure costs and operating costs of the various operational teams and Children's Centres mainly Early Help/Family Practitioners
Variations under £50,000		3,706,963	92,737	
Total Early Help & Support		44,200,326	(0)	
Governance, Procurement & Commissioning				
Strategic Procurement	Employee or Employee related	653,998	(64,527)	Projections based on the currently filled posts and operating costs of the Procurement team
Commissioning		1,726,974	267,741	The cost reduction model referred to in Early Help & Support includes a reduction to non statutory expenditure on Supporting People of £300k. The detailed work to effect this reduction is still in progress and therefore this saving is not yet being delivered
Variations under £50,000		488,779	6,806	

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Total Governance, Procurement & Commissioning		2,869,751	210,020	
Health & Wellbeing				
Variations under £50,000		1,642,167	36,079	
Total Health & Wellbeing		1,642,167	36,079	
Customer & Neighbourhood Services				
		Budget	Variation	
Public Protection		343,269	(96,032)	Saving arising from Public Protection changes implemented in 2016/17. This saving is being taken as part of the 2018/19 budget and is being held in 2017/18 to support the transition to new ways of working e.g. agile working and better use of technology.
Highways & Engineering Service	Income	(1,630,300)	211,651	Income shortfall from Engineers fees due to a number of vacant posts within the service which has reduced the capacity to charge to various schemes. This area was subject to a service review in 2016/17 which is currently being finalised and will be implemented during the year. This is being supported by a reserve of £150k which was set aside in 2016/17, to allow time to make the transition to a new way of working and an opportunity to review alternative ways of achieving the income target.
Variations Under £50k			(115,619)	
Total Customer & Neighbourhood Services			0	
Commercial Services				
Variations Under £50k	BiT - NNDR	1,149,110	25,000	NNDR net pressure for Addenbrooke House, Darby House and a number of Operational properties. This position could change pending final notifications for other Operational properties.
Total Commercial Services		1,149,110	25,000	
Council wide				

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Total Council wide			0	
Total Variations			(519,170)	

Capital Approvals - by Service Area

Appendix 3

Virements							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
Children's & Adults ICT Systems Review	Early Help and Support	Pru	678,417.62				
Service Transformation - Invest To Save	Education & Corporate Parenting	Pru	(200,000.00)				
ICT/ eGov	Commercial Services	Pru	(478,417.62)				
Total			0.00	0.00	0.00	0.00	

Slippage							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
Finance fees	Finance & Human Resources	Prudential	(75,000.00)	25,000.00	25,000.00	25,000.00	
Housing Company - Housing	Development Business & Employment	Prudential	(3,000,000.00)	3,000,000.00			
Children's & Adults ICT Systems Review	Early Help and Support	Prudential	(448,878.00)	448,878.00			
Total			(3,523,878.00)	3,473,878.00	25,000.00	25,000.00	

New Allocations							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
Highways & Bridges Capital Maintenance	Customer & Neighbourhood Services	Grant	466,000.00				
Superfast Broadband Programme	Development Business & Employment	Grant	157,000.00				
All other School Schemes	Education & Corporate Parenting	Grant	254,380.00				
Total			877,380.00	-	-	-	

TELFORD & WREKIN COUNCIL**CABINET 13 JULY 2017****VARIATION TO WEST MERCIA ENERGY JOINT AGREEMENT****REPORT OF ASSISTANT DIRECTOR OF FINANCE AND HUMAN RESOURCES****LEAD CABINET MEMBER – CLLR LEE CARTER****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

It is proposed to vary the Joint Agreement for West Mercia Energy (WME) held by the constituent authorities to enable WME to supply utilities, alongside the supply of energy. Details of the changes are provided in Part B. This variation does not impact on the Council's Constitution.

2. RECOMMENDATION

- 2.1 That Cabinet agrees that the current Joint Agreement is varied to include the provision to be able to broker and supply utilities; and
- 2.2 authorise the Assistant Director of Finance and Human Resources to finalise and execute the variation in Consultation with the Assistant Director of Governance, Procurement and Commissioning.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes/No	The Council currently purchases energy from WME for schools, Colleges and own properties and secures good value for money. It is expected to provide a similar service for Utilities, namely water, at this time.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	Agreement to the variation is required by all 4 owning Authorities and is envisaged to be executed and agreed by August 2017	

FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	<p>The Joint Agreement includes the provision that accumulated surpluses identified for distribution are allocated to Member Authorities each year partly based on the level of trading activity by each Member Authority and partly based on non-member trading activity. There are no proposals to change this methodology. The budgeted dividend in 2017/18 is £357,000 and while extending the agreement to include the provision of water services is not expected to have a significant impact on dividends or savings it will enhance the offer to customers and should help sustain current income levels for the Council.</p> <p>PH – 14/6/2017</p>
LEGAL ISSUES	Yes/No	<p>Governance and Committee Arrangements: The Cabinet has delegated day to day decision-making to the West Mercia Energy Joint Committee where Telford & Wrekin Council are currently represented by Cllrs L Carter and A England. However as the proposals are significant and extend the agreement and propose significant amendments to the current joint agreement it is appropriate that this delegation is approved by Cabinet</p> <p>Open Water Market Deregulation: From the 1st April 2017 larger organisations may decide to become a self- supply licensee the new open water market de-regulation also allows companies to become licensed suppliers of water and wastewater retail services to other businesses. The facilitating statute is the Water Act 2014 which will allow public sector customers to switch retail water supplier, hence pursuing opportunities for achieving better economies of scale in their purchasing activities. There is an opportunity to become a retailer of water; buying wholesale water services – the physical supply of water and the removal of wastewater from regional water companies. The retailer will package a series of water services and compete for customers in the market place. The water market is</p>

		<p>undergoing changes to effect more open competition and choice.</p> <p>Legal Formalities: The terms of the draft variation will be agreed by individual stakeholders. A draft variation document will be reviewed and risk assessed accordingly.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes/No	<p>Any decisions about the future development of the WME business are determined by a Joint Committee upon which Telford & Wrekin Council are represented by Cllr L Carter and Cllr A England, acting upon information from an advisory group comprising of senior officers.</p> <p>As mentioned in the report, there are business risks associated with the development of a new service however it is considered that the benefit of enhancing the WME offer, particularly to key customers, outweighs this. It should also be noted that the dividend the Council receives from WME is based on their performance and there is therefore a risk that this could reduce in future dependent on their trading position and financial outturn. Further, as a Member Authority the Council would be jointly liable for any costs and liabilities associated with WME if the Joint Committee was unable to meet its obligations, although it should be noted that there are comprehensive risk management arrangements in place to mitigate this</p>
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 In 2012 Cabinet granted approval for the Council to enter into a Joint Agreement with Shropshire, Herefordshire and Worcestershire Councils to form West Mercia Energy (WME). WME now supplies energy on behalf of its owners to public sector organisations across the country.
- 4.2 From April 2017 the government opened up the non domestic water supply market to enable businesses, charities and public sector bodies, to be able to

choose their supplier rather than rely on a supplier within their region. This option has been available in Scotland since they deregulated their water in 2008. Government hope that competition will improve customer services, lower costs and encourage suppliers to be more innovated with the services they offer. It should be noted that only 6% of the retail market is available for competition so significant savings or dividends are not expected

- 4.3 WME has been working in collaboration with other public sector organisations, namely CCS, NEPO, YPO, ESPO, TEC and the MOD to establish a national Framework Agreement for the provision of water, waste water and ancillary services. Each member of the group view the provision of a water contract to its members/customers as a provision of service and not something where great savings in retail margins can be achieved, certainly not initially.
- 4.4 Whether to provide an offering for water to WME customers has been closely considered over recent months. Progressing with water services comes with business risks associated with the development of a new service (systems, management time focused on an initial low margin product rather than the core WME offering). From research conducted, not providing an offering for water is considered a greater business risk as some of our key large customers will be looking in the future to procure a joint gas, electricity and water contract from one provider and not being in this market space could lead to loss of business. As a consequence the recommendation is take the necessary steps to develop a customer offering for water.
- 4.5 To enable WME to be part of any framework there is a need to vary the Joint Agreement to add in the ability to supply utilities along side the supply of energy.
- 4.6 A copy of the proposed variation is included in background papers

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

6. **PREVIOUS MINUTES**

7. **BACKGROUND PAPERS**

Appendix 1– Draft Variation



Deed of Variation -
May 17.docx

DATED

DEED OF VARIATION OF CONTRACT

between

SHROPSHIRE COUNCIL

and

THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

and

WORCESTERSHIRE COUNTY COUNCIL

and

THE BOROUGH OF TELFORD & WREKIN

CONTENTS

CLAUSE

1.	Terms defined in the Agreement	1
2.	Variation	1
3.	Counterparts	2
4.	Governing law	2
5.	Jurisdiction	2

THIS DEED is dated

PARTIES

- (1) SHROPSHIRE COUNCIL of Shirehall, Abbey Foregate, Shrewsbury, Shropshire SY5 6SG
- (2) THE COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL of Shirehall, St Peters Square, Hereford HR1 2HX
- (3) WORCESTERSHIRE COUNTY COUNCIL of County Hall, Spetchley Road, Worcester WR5 2NP
- (4) THE BOROUGH OF TELFORD & WREKIN of Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

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

BACKGROUND

- (A) The Member Authorities are party to an agreement in respect of a Joint Committee arrangements for the purposes of arranging for the purchase and supply of energy to the Member Authorities and to other public bodies dated 20th June 2013 as amended by the Deeds of Variation dated 13th February 2015, 24th July 2015 and 3rd January 2017 (**Agreement**).
- (B) The Member Authorities wish to amend the terms of the Agreement as set out in this deed.

AGREED TERMS

1. TERMS DEFINED IN THE AGREEMENT

In this deed, expressions defined in the Agreement and used in this deed have the meaning set out in the Agreement. The rules of interpretation set out in the Agreement apply to this deed.

2. VARIATION

With effect from the 1st July 2017 (**the Variation Date**) the Parties agree to make the following amendments to the Agreement:

a)	Clause 4.1 (Objectives) amended:	This clause is amended to by the insertion of the words: “..and utilities..” after the words “supply of energy” in the second line.
----	----------------------------------	---

2.1 Except as set out in Clause 2.1, the Agreement shall continue in full force and effect.

3. COUNTERPARTS

3.1 This deed may be executed in one or more counterparts and any party may enter into this deed by executing a counterpart. Any single counterpart or a set of counterparts executed and delivered in either case by all the parties shall constitute one and the same agreement, and a full original of the deed for all purposes.

3.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

4. GOVERNING LAW

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

5. JURISDICTION

5.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by affixing the
COMMON SEAL of **SHROPSHIRE**
COUNCIL in the presence of:

)

.....
Signature

.....
Print name

Executed as a deed by affixing the
COMMON SEAL of **THE COUNTY OF**

**HEREFORDSHIRE DISTRICT
COUNCIL** in the presence of:

)

.....
Signature

.....
Print name

Executed as a deed by affixing the
COMMON SEAL of
**WORCESTERSHIRE COUNTY
COUNCIL** in the presence of:

)

.....
Signature

.....
Print name

Executed as a deed by affixing the
COMMON SEAL of **THE BOROUGH
OF TELFORD & WREKIN** in the
presence of:

.....
Signature

.....
Print name

TELFORD & WREKIN COUNCIL

CABINET - 13 JULY 2017

ACADEMY CONVERSION FOR HADLEY LEARNING COMMUNITY (HLC) PRIVATE FINANCE INITIATIVE (PFI) SCHOOL TO A MULTI - ACADEMY TRUST (MAT)

REPORT OF ASSISTANT DIRECTOR: EDUCATION & CORPORATE PARENTING

LEAD CABINET MEMBER – CLLR SHIRLEY REYNOLDS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 Government policy on Academy Schools seeks to improve standards and increase choice for parents. The Hadley Learning Community (HLC) is a Private Finance Initiative (PFI) School undergoing an academy conversion to a MAT. The Council is under a statutory duty by virtue of the Academies Act (2010) and Section 10 of the Education and Adoption Act (2016) and is legally obliged, to facilitate the process of conversion by a school to academy status within a specified time period. The target date for conversion is the 1st September 2017 (but is not restricted depending on unforeseen and extenuating circumstances). The Council is aware that the PFI arrangements add complexity and heightened legal and financial risks that the Council may become exposed to. The Council will at all times seek to safeguard its position and achieve minimum financial expenditure and future liabilities. As part of the academy conversion HLC will absorb within its establishment the following Telford schools; Mount Gilbert School, Queensway School and Charlton Secondary School following which they will be comprised in a MAT. The HLC MAT is a single entity and will be established to undertake a strategic collaboration to improve and maintain high educational standards across the aforementioned schools. The MAT will have overarching responsibility for all the schools operation and governance.

2. RECOMMENDATIONS

2.1 In consultation with the Cabinet Members for Finance, Commercial Services and Economic Development and Education and Skills, Cabinet delegates authority to the Assistant Director – Education and Corporate Parenting to facilitate the HLC PFI academy conversion to the newly incorporated Multi Academy Trust. More specifically authority to negotiate and enter all the necessary legal agreements (including but not limited to Deed of Variation of the Project Agreement, the Principal Agreement, the School Agreement and the Commercial Transfer Agreement) and complete the formalities to effect the conversion and the level of annual charges to the academy for the Council’s continuing responsibility to monitor the PFI contract.

2.2 Cabinet delegates authority to the Assistant Director - Business, Development and Employment for the land transfer, lease and licence agreements to be negotiated, signed and completed relating to the site.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	In the long term this proposal will assist the City Council in ensuring that it can continue to meet its statutory responsibilities regarding the academy conversion process.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	September 2017	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>Although academy schools become independent organisations after conversion and occupy their buildings using a 125 year lease, the responsibility for the HLC PFI contract and the associated monitoring, remains with the Council. The Council's PFI contract is a long term commitment lasting until 2034/35 and responsibility for monitoring and funding the contract will remain with the Council until this date.</p> <p>The annual costs of the PFI contract are funded by a combination of:</p> <ul style="list-style-type: none"> · PFI credits (from the Government); · Contributions from Council budgets; · Contributions from school budgets. <p>After conversion, academies budgets therefore continue to contribute towards the overall costs of the PFI scheme. We will need to ensure that the transfer agreement for HLC ensures that the academy contributes the appropriate annual sum due from its budget towards PFI costs and so ensures that the Council can continue to meet its obligations in terms of funding PFI over the contract period. We will need to ensure that no additional liabilities arise in relation to the contract as a result of the specific legal agreements put in place with the academy</p> <p>As noted above, the responsibility for monitoring the contract, including the impact of any changes to the building, utility</p>

		<p>costs, service costs, etc also remains with the Council. As HLC will occupy the largest part of the building, a substantial proportion of this cost will relate to the academy.</p> <p>We are in the process of analysing the work involved and the charges adopted by other local authorities and have yet to determine a final figure, but the final sum identified may be in the region of £25,000 per annum, increasing by RPI(x) annually to reflect the cost mechanism in the general PFI contract. Calculations are being undertaken to determine the appropriate annual administrative charge to the Council (TD) 23.06.17</p>
LEGAL ISSUES		Please refer to Section 6
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	Each academy conversion is unique and officers will continue to ensure that the interests of the Council are protected and any liabilities dealt with in an appropriate manner.
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4 CONTEXT

4.1 The Academies Act 2010 gives all maintained schools the opportunity to become academies. Those in the first tranche of new publicly funded academies opened in September 2010. They are independent of Local Authority (LA) control. They are able to set their own pay and conditions for staff, and are able to buy in private services; including buying back services from the LA should they so wish.

4.2 All academies established by the Secretary of State enter into a contract (the Funding Agreement) with a charitable company, which is often referred to as the Academy Trust. The funding agreement provides the framework within which the academy must operate. The ongoing funding of the Academy Trust is contingent upon the conditions in its Funding Agreement being met.

4.3 There is no statutory requirement for any formal relationship between Local Authorities and academies beyond that which is required for the delivery of statutory duties, such as the making and reviewing of SEN statements, securing sufficient education in an area and provision of home-to-school transport for eligible children.

4.4 However, councils continue to play a key strategic role locally and Telford and Wrekin recognises that there are significant advantages for both academies and Local Authorities in constructive partnership working, not least in ensuring that all academies remain committed

to putting Children and Young People first by raising aspirations. We are also keen to foster effective relationships in order to encourage all schools and academies to buy back Local Authority services which are well-established and provide value for money.

5.0 COMPONENTS OF THE TRANSACTION: TRANSFER PROCESS OF LAND AND NON-LAND ASSETS

5.1 Academy conversions can take about three months pre-conversion (but may take longer, depending upon the complexity of the situation and how quickly the transfer of staff, assets and land can be negotiated with the Council) and four months post conversion (regarding the financial closure of the LA School accounts and transfer to the new charitable company). The DfE has issued model documentation which is intended to make the process more straight forward.

5.2 When entering into an Academy conversion, each converting school receives a grant from the DfE of up to £25,000 towards their conversion costs. The Council receives no direct source of funding to cover the costs linked to Academy conversions, however, there is a great deal of officer time required to ensure smooth transfer arrangements are undertaken within a reasonable timeframe.

5.3 There are two main aspects to an academy transfer agreement between the Council and a new academy. These are the Commercial Transfer Agreement (CTA) and the Land Ownership (Lease) documentation.

6.0 RISK ASSESSMENT AND LEGAL IMPLICATIONS ON THE HLC PFI SCHOOL ACADEMY CONVERSION

The Council is obliged to facilitate a successful academy conversion as provided under the Academies Act 2010. The DfE assists with model agreements and precedents in respects of an academy conversion and those peculiar to a PFI institution. The DfE does not fund the costs that follow a school converting to Academy status out of existing Local Authority held PFI contracts. There are cross-council implications for a PFI Academy conversion as set out in the Report. Agreements will need to be negotiated in order to back off risks and to eradicate and minimise exposure to future obligations and liabilities. It is important that the Council enter into all relevant agreements in order to safeguard its interests, protect itself legally and to mitigate and eliminate and minimise future liabilities.

Change Control Document and the Deed of Variation of the Project Agreement: The Change Control is a purposive document that will set out the scope and proposal for the academy conversion. It will precipitate the request for costings from the Special Purpose Vehicle and the Facilities Management Contractor. All costs in respects of the Change Control are payable by HLC. As this is a major change to the PFI Project Agreement it will be necessary to negotiate a Deed of Variation which will evidence further the intention set out in the Change Control. The extent of the Authority Change will be restricted to minor changes to the Project Agreement and should not be significant. The key area for the Council is to ensure is that the Academy Trust will be bound to continue to receive and pay for the services for the duration of the Project Agreement until the end of the term of the PFI arrangement.

The School Agreement replaces any existing Governing Body Agreement and will commit Pyramid Schools (Hadley) Limited to pay the Council a proportion of the Adjusted School Budget. The provisions will also set out expectations and responsibilities of the Council in regards to aspects of the Services under the Project Agreement at HLC and subsequently the Academy. Any such Services will be identified, so that the Council can deliver them as required working with Pyramid Schools (Hadley) and in accordance with the terms of the Agreement and Principal Agreement. The Council will ensure that financial contributions shall be certain so that the PFI agreement is sustainable and provides all parties certainty on budgets in the future. Calculations in respect of the proportion of the budget allocated to Pyramid Schools (Hadley) and will be reviewed by Finance Officers taking into account Indexation Provisions.

To mitigate risks the Council will include drafting for provisions in the School Agreement to cover identifiable risk areas including:

- Ensuring that the Governing Body contribution exactly matches the costs paid to Facilities Management Contractor in respect of the Facilities Management costs only. Any current gaps (if any) subsidised by the Council would need to be discussed by the senior management before inclusion;
- Facility Management and Life Cycle costs relating to operational variations would need determining;
- Approach to Utility costs;
- Indexation costs for inflation (RPIX) to make the payments sustainable;
- Benchmarking costs for increases in the future to achieve sustainability;
- Monitoring costs for relevant Council Officers to manage the contract on their behalf. Perhaps output based.

DFE Principal Agreement – When HLC converts to an Academy, it comes under the remit of central government so the Principal Agreement will include provisions to protect the Council's interests by inserting suitable indemnities and also appropriate drafting in respect of the Dedicated School Grant contribution relating to any affordability gap.

Commercial Transfer Agreement (CTA) – The CTA will include specific indemnities and warranties that protect the Council against certain future liabilities. It is imperative that the CTA is completed to ensure the Council does have the benefit of these. The CTA will provide clarity and certainty with regard to the obligations between the parties and the definitive 'Transfer Date' will signal the regime change. The CTA documents will manage the transfer of non-land assets such as fixtures and fittings, equipment, contracts for services, and staff. The extent of transferring Assets and Excluded Assets will be determined by way of inventory and agreement between the parties. Most of the services will be provided by the FM contractor under the PFI the status quo will be retained as required as per the terms of the Project Agreement.

Performance Issues - Responsibility for school improvement and admission and attainment all transfer to the Academy on conversion. However, the Local Authority will retain some leadership and responsibility for overall performance in the locality and will work in partnership with all schools to achieve high standards. (MG Legal)

7. LAND TRANSFER ARRANGEMENTS

The following is an outline of the proposed structure of the Land Transfer arrangements for the various sites:-

Hadley Learning Community site

In respect of the part of the site which is in the Council's freehold ownership there will be Headlease from the Council to the Academy Trust for a terms of 125 years (to exclude the Bowling Green area and the NEAP playground).

The Academy Trust will lease back to TWC the following areas for 125 years less one day:

- a. The Bridge Special School
- b. the leisure facilities
- c. the ABC private nursery/children's centres and other ancillary areas.

In the short term these areas will be maintained in accordance with the existing PFI arrangements. The Lease structure will need to incorporate service charge mechanism and method for allocation of sharing of costs once the PFI project ends. The Leases will also need to include appropriate site-specific rights.

The Thomas Crump Land

The Council do not own the freehold of this area of the site .It is currently operated and managed under the PFI Contract and is let by the Recreational Trust to the Council on a Lease which is due to expire in approximately 18 years. It is proposed to put in place a new Headlease for this land from the Recreational Trust to the Academy Trust, subject to and with the benefit of the existing Lease to the Council, thus enabling the status quo to be maintained at the end of the PFI Contract .The documentation will need to incorporate a mechanism for the parties to agree a Community Use document to allow for continued community use beyond the PFI Project and use by the Bridge school of the Playing Fields.

Shared Use Agreement

This is the document which the various occupiers will need to agree to set out the basic minimum arrangements for shared use of the building

Leisure Facilities

Further discussions will be needed to consider the future control and operation of the leisure facilities at the end of the PFI contract and the best way to secure long-term availability of the leisure facilities for the community.

The Bridge School /ABC Nursery /Children's Centre

The Bridge School will be leased back to the Council on its own separate lease so that the site could be surrendered to Hadley Learning Centre Academy Trust if the Bridge School does ultimately decide to convert and become part of the Trust.

ABC Private Nursery and the Children's Centre, will also be leased back to the Council for 125 years less one day. Should at any point in the future it be decided that any of these areas are to be transferred over to the Academy Trust then it is proposed that surrenders can be negotiated and put in place at the relevant time.

The Mount Gilbert School

A single Head Lease of the whole site for 125 years from the Council to the Academy Trust is proposed. There is no third party use and no leaseback arrangements to be put in place.

There is a Restrictive Covenant affecting the Council's freehold title to the land in respect of which the Homes & Communities Agency (HCA) has the benefit and there are Clawback provisions affecting the land on disposal. The HCA have been approached regarding a Release or Variation of the Covenant or confirmation that there will be no clawback as the site will continue as an educational establishment.

Queensway School

There will be a Lease from the Council to the Academy Trust for 125 years. There is a part of the site to be retained by the Council and there will be shared access arrangements over the short entrance driveway which will need to be documented, together with responsibility for contribution to costs. There is no community use and no third party rights for this site, although it is part of the PFI scheme and will be subject to the existing PFI arrangements in the short term.

Charlton School

This site was part of the Building Schools for the Future Programme (BSF) and has a complex history as regards the land title. The new Charlton School has been built on the site of the old Blessed Robert Johnson (BRJ) Catholic College. The Council's external Solicitors are working closely with the Lawyers representing the Diocese in order to finalise the title issue so that the land necessary transfers can be completed and title can ultimately be transferred to the Academy Trust. (JM Legal)

8 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

None

9 PREVIOUS MINUTES

None

10 BACKGROUND PAPERS

None

Report prepared by Melanie Golding, Solicitor: 01952 380787

TELFORD & WREKIN COUNCIL

CABINET – 13 JULY 2017

FINALISATION AND CLOSURE OF THE BUILDING SCHOOLS FOR THE FUTURE PROGRAMME

REPORT OF ASSISTANT DIRECTOR FOR EDUCATION & CORPORATE PARENTING

LEAD CABINET MEMBER – CLLR PAUL WATLING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

This report is intended to update Cabinet of the successful and much enhanced deliverables resulting from the Building Schools for the Future programme including a comparison to the original Outline Business Case (OBC) proposals from December 2008.

We would also like Cabinet to formally acknowledge closure of the programme by reporting the closing financial position and agreement that any tasks outstanding as at 31st August 2017 should be allocated to the most appropriate service delivery area for continued management and completion.

2. RECOMMENDATIONS

For Cabinet to:

- 2.1 Note the achievements of the BSF Programme against the original Outline Business Case dated December 2008**
- 2.2 Agree formal closure of the BSF Programme from 1st September 2017**
- 2.3 Approve the additional borrowing requirement**
- 2.4 Agree that outstanding tasks be allocated to the most appropriate Service Delivery Area**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<ul style="list-style-type: none"> • Put our Children and Young People first • Improve local people's prospects through education and skills training
	Will the proposals impact on specific groups of people?	
	Yes	Children, young people, parents and the wider community served by each learning community.
TARGET COMPLETION/DELIVERY DATE	<i>31st August 2017 for formal BSF closure and handover of any remaining issues to other Service Delivery areas.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p><i>The total funding allocated to the BSF Programme was £200.9m against anticipated expenditure of £201.1m. The £0.2m affordability gap will need to be funded from additional borrowing. The revenue impact of the borrowing would be £8,000 per annum.</i></p> <p><i>The shortfall represents 0.1% of the allocated funding despite significant additional costs arising from asbestos removal and the £43m reduction in funding implemented by the Government in 2010/11.</i></p> <p><i>A more detailed comment is included at Section 5.1</i></p> <p><i>ER 14/06/2017</i></p>
LEGAL ISSUES	Yes	<i>Refer to Section 5 and Appendix 2</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<i>Details provided in Section 5</i>
IMPACT ON SPECIFIC WARDS	Yes	<i>All wards - New and refurbished schools have been delivered borough-wide affecting the majority of wards.</i>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 The £200m Building Schools for the Future programme is the largest delivered by Telford & Wrekin and has provided borough-wide new and improved school and community facilities. The aspiration was for BSF was to act as a catalyst for physical and social regeneration across Telford & Wrekin through the creation of a network of high quality learning communities. It has delivered just that by being a major contributory factor to the regeneration of Dawley with the new build Telford Langley School with its iconic sporting facilities located off the main High Street, the enabling of significant commercial development in Madeley on the former Madeley Court school and sports site and providing a site for Nu Place in Madeley on the former Woodlands Primary School site.
- 4.2 As part of the DfE requirement for a Strategic Review of the BSF programme in 2010 to ensure value for money was being achieved through BSF, many Council's lost the entirety of their BSF grant funding. However, the approach taken by Telford & Wrekin proposed a review of the programme and an associated saving of £43m which was achieved by considering the key DfE criteria of pupil places, existing building condition and local priorities. Local priorities were defined as Value for Money, Raising Attainment and creating a network of Sport & Learning Communities. By utilising far more than BSF grant funding and combining that with capital receipts, other grant funding, (e.g. Lottery funding, Sport England grants), funding from National Governing bodies of Sport and other Council, health and partner funding enabled the Council to deliver an enhanced programme with the principle of sport and learning communities offering far more than educational buildings and providing a range of facilities and services for children, young people, parents and the wider community. The incorporation of Community Use Agreements across all new BSF sites further ensured a fully inclusive approach has been adopted and the wider community can enjoy great facilities throughout the borough.
- 4.3 As we now reach the conclusion of the BSF delivery programme, we are delighted to report that we have delivered far more than anticipated in the original OBC despite the significant reduction in funding. At the end of the programme we have achieved the successful delivery of 8 new-build schools and 6 remodel/refurbishment schemes. This demonstrates an additional 4 new-build schools to the original Outline Business Case proposals and in addition, Lawley Village Primary Academy was a further new build primary school constructed by Wates and delivered through the BSF framework Future Schools Agreement.
- 4.4 The BSF programme has resulted in outstanding school and community sports and leisure facilities delivering against the key recommendations of the Council's Leisure Facilities Framework and Playing Pitch Strategy. The 'Iconic' sports facilities at Langley include both regional and national standard provision and Dawley has now hosted a number of national sporting events including both hockey and BMX. Usage at the Langley site is double that of the old Phoenix Sports Centre.
- 4.5 Community Use Agreements are in place or are being finalised in respect of the new build school sites, ensuring that the facilities are available and accessible by local

clubs and groups. These facilities along with those directly managed by the Council's Leisure Services will make a significant contribution toward the Council's Health & Wellbeing agenda.

- 4.6 Furthermore, of the £201m programme value, nearly a quarter of this totalling £44.6m was contributed through Council and other external investment to help make the sport and learning community vision a reality. The additional funding was able to be spent on major elements of work that grant funding would not cover and enabled the BSF programme to offer so much additionality through a range of sport, health and community facilities.
- 4.7 **Outstanding Tasks** - As the school builds are now complete and we are nearing conclusion of the programme, there are some outstanding tasks directly related to the completions of all contract documentation required to ensure schools reach defects completion, land transfers can be completed, third party agreements can be formalised and the Design & Build contracts can be novated to the relevant schools/Sponsors. We have an ongoing programme of outstanding tasks against each school which is changing weekly as they are being progressed and completed. The vast majority are targeted for completion before the 31st August 2017 when it is proposed to disband the remaining members of the BSF Project Team. There will be a small number of tasks that cannot be completed before April 2018 such as the Grange Park Primary defects liability period expiry date. However, the necessary documentation will be prepared in advance in order to ensure that the completion of these longer term completions will be straight forward.
- 4.8 **BSF Brochure.** To feed into the Council's forthcoming 50th Birthday celebrations, we propose that the significant achievements of the Building Schools for the Future programme are documented within a colour handout/brochure to be created in conjunction with the Graphic Design department and ready for issue at the end of the programme when all schemes have novated to the relevant school sponsor. An initial draft of this is included at Appendix 2.

A summary of deliverables at each BSF site follows below with before and after images. An additional tabular view version is included at Appendix 1.

BUILDING SCHOOLS FOR THE FUTURE SUMMARY OF FACILITIES AVAILABLE AT ALL NEW-BUILD SITES

Abraham Darby Campus, Madeley:

- The delivered scheme remains unchanged from the original OBC
- The 1100 place Abraham Darby Academy is sponsored by the Haberdashers' Federation
- The 420 place Woodlands Primary is a community school.
- The site includes CCG/Health rooms
- Sports & Leisure Facilities including Abraham Darby Sports & Leisure Centre
 - Swimming pool
 - Aspirations Gym
 - Dance Studio
 - Sports Hall
 - Grass Pitches
- A Campus Management Agreement is currently being finalised with the school sponsor

Before



After



Telford Langley School, Dawley (formerly the Phoenix School)

- Originally a remodel scheme in the OBC but moved to a new brownfield site at the bottom of Dawley high street to become a new-build facility.
- The school is sponsored by the Community Academies Trust (CAT)
- 900 place secondary school
- 650 sq mtrs CCG/health suite
- Sports & Leisure Facilities including Phoenix Sports Centre
 - Aspirations Gym
 - 8 court sports hall
 - Dance studio
 - 3G pitch
 - Grass pitches
 - BMX Track
- Lottery Funding Agreement
- Community Use Agreement being finalised

Before



After



Ercall Wood Technology College, Wellington

- Originally proposed as a remodel scheme in the OBC but changed to a new-build school on an adjacent site funded by the sale of the former playing fields to a housing developer.
- 900 place secondary school
- CCG/health rooms
- Community Use Agreement in place

Before



After



Telford Park School and Grange Park Primary School, Stirchley

- The schools are sponsored by the Community Academies Trust (CAT)
- No change in proposals from the original OBC
- 600 place secondary school
- 420 place primary school
- CCG/health rooms
- Sports & Leisure Facilities including
 - Aspirations Gym
 - Sports Hall
 - Studio
 - Grass pitches
- Community Use Agreement in place

Before



After



The Telford Priory School (on the site of the Oakengates Leisure Centre)

- The school is sponsored by the Community Academies Trust (CAT)
- The OBC proposal was for a rebuild school for both Sutherland and Wrockwardine Wood. The schools were merged into one larger rebuild on a new site adjacent to Oakengates Leisure Centre.
- 1200 place secondary school
- Sports & Leisure Facilities including Oakengates Leisure Centre, Telford Athletics
 - Aspirations gym
 - Swimming pool
 - Tennis Centre
 - Meeting / community rooms
 - 3G pitch
- CCG/health rooms
- Joint Use Agreement in place

Before (Sutherland School)



Before (Wrockwardine Wood)



After (Telford Priory School)



Holy Trinity Academy, Priorslee

- The school is run by the Shrewsbury Roman Catholic Diocese
- Original OBC proposal was for the former Blessed Robert Johnson Catholic College to be remodelled. This was changed to a new-build Multi-faith academy to be based on a brand new site in Priorslee.
- 900 place secondary school
- Community Use Agreement (being finalised) to cover the use of
 - Sports Pitches
 - Sports Hall
 - Changing rooms

Before



After



Charlton School, Wellington

- The school will be imminently transferring to the Learning Community MAT as of 1st Sept 2017
- The original OBC proposal was for the old Charlton school to undergo a remodel on its existing site. It was relocated to the old BRJ site as a new-build school when revised plans dictated that this site was becoming available.
- 1200 place secondary school
- Community Use Agreement (in final form but awaiting completion) covering the use of Sports Pitches, sports hall and changing rooms
- Sports Hall on the old Charlton site has been retained and leased to Park Wrekin Gymnastics

Before



After



Lawley Village Primary Academy

- The school is sponsored by REAch2
- This school did not form part of the original OBC as this was procured through the BSF Future Schools Agreement. It is a new primary school to serve the growing community in Lawley and surrounding areas.
- 210 place primary school (with expansion for up to 420 place)
- Community Use Agreement (being finalised) to include sports pitches, MUGA and Meeting/community rooms

After



**BUILDING SCHOOLS FOR THE FUTURE
SUMMARY OF THE REFURBISHED/REMODELLED SITES**

School Name	OBC Proposal	Actual Delivered
Mount Gilbert School, Dawley	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide a new skills centre have been completed
Southall School, Dawley	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide a new sports hall have been completed.
Adams' Grammar School, Newport	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide new class bases have been completed
Burton Borough School, Newport	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide new class bases have been completed
Newport Girls' High School, Newport	Remodelled scheme	No change to the OBC. Remodelling works and a new school hall have been completed
Madeley Academy, Madeley	Building Extension	No change to the OBC. A new Post-16 facility and Vocational Training Centre have been completed

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 FINANCIAL/VALUE FOR MONEY IMPACT

Schools Programme

The overall Affordability of the BSF Programme is set out in Table 1 below. There are a number of risks arising which are detailed in Section 5.2.

Table 1 – Overall Affordability

	£m	£m
Total Funding allocated		
Government Grant	(156.3)	
Council Investment	(38.0)	
External	(6.6)	
Total		(200.9)
Expenditure		
Construction (See appendix 1, includes Grange Park Primary and Oakengates Leisure Centre)	163.1	
Site Acquisitions (including SDLT on land swaps)	7.2	
Site Preparation / Infrastructure	7.7	
ICT	13.5	
Project Support	9.6	
Total		201.1
Affordability Shortfall / (surplus)		0.2

The Affordability shortfall of £0.2m, which has arisen due for unexpectedly high demolition costs associated with Telford Park School, will have to be funded by additional borrowing which will need to be incorporated into the Capital Programme. The revenue impact of the additional borrowing is £8,000 per annum, for 60 years.

Outstanding BSF Tasks

The costs associated with rectifying outstanding defects works will be funded from the money retained by the Council against each of the individual school contracts. Table 2 below summarises the retentions.

Table 2 - Retentions

Contract	£000's
Abraham Darby	20
Telford Park School / Grange Park Primary	83
Charlton School	230
Lawley Village Primary School	61

Within the £9.6m Project Support expenditure identified in Table 1 above, £0.4m has been included for future expenditure associated with completing all outstanding tasks such as finalising all legal and property documents and land transactions. Many of these tasks will require support from external consultants as well as internal services.

5.2 OPPORTUNITIES AND RISKS

A number of risks associated with the BSF Programme remain:

- 5.2.1 The BSF Programme funding relies upon £12.1m of capital receipts which are yet to be realised. Should a shortfall in the receipt arise or the receipt needs to be re-phased this will be managed through the corporate capital programme. Any shortfall may require additional borrowing with additional borrowing costs.
- 5.2.2. £0.3m was retained against the acquisition of land at Priorslee. This sum represents a package of works carried out by our contractor that needs to be agreed by the seller. There is a risk that the seller may not agree with the Council's valuation and could dispute some of this valuation.
- 5.2.3 Many of the outstanding tasks identified in completing the programme will need to be completed by external consultants, especially Legal consultants. This work will need to be managed effectively to ensure that the £0.4m funding identified above is sufficient.
- 5.2.4 The CCG have raised concerns regarding the acoustic performance of the CAMHS office space at Telford Langley School. Information from our contractor concludes that the acoustic performance meets the required standards. Any dispute over this issue could possibly lead to the CCG attempting to recoup their initial funding or additional costs being incurred to rectify their concerns if they are confirmed.
- 5.2.5 As there have been a number of changes in circumstances, both parties to the Development Agreements may be in technical breach and therefore there is a theoretical risk of claims although we are not aware of any threat of claims against the Council in this regard.
- 5.2.6 The transfers of the school site at the old Charlton site to the Council for onward sale cannot be completed until the title issues at BRJ are resolved. The delays with BRJ are caused by risks which are not within the Council's control. As such there is a delay to the transfers. This means there is a risk that the capital receipt realisation will be delayed and may generate overall lower receipts than anticipated at £5.0m.
- 5.2.7 On some schools the defects liability period has been insufficient to resolve defects and delays in completion of transfers and/or leases have resulted. This could further delay the transfer of the Charlton site referred to in 5.2.6 above.
- 5.2.8 Whilst some schemes remain in defects liability, the Council retain responsibility for management of the D&B contracts and procuring rectification of any defects under the various development agreements in the interim.

5.2.9 There are various issues outstanding on the remaining documents required for Telford Langley, some of which have financial and long term risk implications. Final agreement of these could delay completion by 30th June 2017.

6. **BACKGROUND PAPERS**

- Cabinet 20th February 2006 – Transforming Education, A Strategy for Community Regeneration CB-166 refers
- Cabinet 12th March 2007 – Planning of School Places. Minute CB-151 refers.
- Cabinet 24th November 2008 - Planning of School Places: Campus Telford & Wrekin. Minute CB-94 refers.
- Cabinet 6th April 2009 - Campus Telford & Wrekin: Additional Post-16 Provision, Trust School Status, BSF Procurement Approval. Minute CB-182 refers.
- Cabinet 15th September 2009 – Planning of School Places: Campus Telford & Wrekin – Part 2. Minute CB-60 refers.
- Cabinet 23rd March 2010 – Borough Towns Initiative Sports & Learning Community – Final Business Case and Award of Contracts relating to BSF and Abraham Darby Sports & Learning Community. Minute CB-181 refers.
- Cabinet 11th January 2011 – School Organisation – Borough Towns Initiative – Sports and Learning Community Update. Minute CB-109 refers.
- Cabinet 22nd September 2011 – Planning of School Places – Secondary School Provision. Minute CB-45 refers.
- Cabinet 26th January 2012 – Ercall Wood Land Acquisition and Disposal. Minute CB-92 refers.
- Cabinet 29th March 2012 – Building Schools for the Future – Contractors Framework Procurement Approval. Minute CB-123 refers.
- Cabinet 8th November 2012 – Building Schools for the Future – Approval to submit the Final Business Case for Ercall Wood and Priorslee Land Acquisition. Minute CB-63
- Cabinet 30th May 2013 – Building Schools for the Future – Approval to submit the Final Business Case for Southall School and entry into an Early Works Agreement. Minute CB-10.
- Cabinet 25th September 2013 – Building Schools for the Future – Approval to enter into an Early Works Agreement at Telford Co-Operative Academy. Minute CB-35
- Cabinet 12th December 2013 – Building Schools for the Future – Approval to submit Six Final Business Cases (FBC) and enter into Contract for the remaining schools within the Accelerated BSF Programme. Minute CB-72.
- Cabinet 18th September 2014 – Approval to Award the Design & Build Contract for the new Lawley Village Primary School, Lawley. Minute CB-38 refers.

Report prepared by Paula Meyrick, BSF Programme Co-Ordinator, Telephone: 01952 380991

Appendix 1 - Schools Programme

Building Schools for the Future Programme

School Name	Design & Build Contract Signed	School Opened/ Remodel complete	Original OBC proposal (Dec 2008)	Final Position (Change from OBC Proposals)	Comments
Abraham Darby Academy	Apr 2010	Sept 2012	New-build school on existing site	No Change	Deliverables include the construction of new Leisure Centre, CCG consulting rooms and Multi-Agency office space and meeting rooms
Woodlands Primary School	Apr 2010	Dec 2012	New build on new site adjacent Abraham Darby Academy and Leisure Centre	No Change	
Madeley Academy	Feb 2011	Mar 2012	Post-16 New Build extension	No Change	
Mount Gilbert School	Dec 2011	Aug 2012	Remodel to existing school	No Change	
Newport Girls High School	Dec 2011	Oct 2012	Remodel to existing school	No Change	
Telford Langley School (formerly Phoenix school)	Dec 2011	Sept 2013	Remodel to existing school	New-build Academy on a new site at the bottom of Dawley High Street.	Deliverables include additional enhanced sports and leisure facilities funded through Sport England and CCG office space and consulting rooms
Ercall Wood Technology College	Feb 2013	Sept 2014	Remodel to existing school	New-build school on the existing site	
Southall School	July 2013	Mar 2014	Remodel to existing school	No Change	
Adams' Grammar School	Jan 2014	Oct 2014	Remodel to existing school	No Change	
Burton Borough School	Feb 2014	May 2015	Remodel to existing school	No Change	
Telford Park School (formerly Lakeside Academy/Lord Silken) and Grange Park Primary School	Jan 2014	Sept 2015	New-build school	No Change	

Telford Priory School (formerly Telford Co-Operative Academy TCA)	Jan 2014	July 2015	Two new-build schools to replace Sutherland & Wrockwardine Wood	Merge of both schools to a new-build larger capacity school on the same site as the Oakengates Leisure Centre.	Deliverables include the refurbishment works undertaken at Oakengates Leisure Centre
Holy Trinity Academy (formerly Blessed Robert Johnson)	Mar 2014	Sept 2015	Remodel of former BRJ school in Wellington	New-build school on a new site in Priorslee	
Charlton School	Mar 2014	May 2016	Remodel of the existing school	New-build school on the former site of the BRJ school	
Contingency					
Lawley Village Primary Academy	Dec 2014	Dec 2015	Not in original OBC, delivered through the Future Schools Agreement	New-build primary school on a new site in Lawley	

Creating a

BETTER

BOROUGH

Building Schools for the Future



Charlton School

A new 1250 place school opened in May 2016 on the site of the former Blessed Robert Johnson Catholic College in Wellington.



Ercall Wood Technology College

A new 900 place school opened in Wellington in September 2014

Telford Priory School

A new 1200 place school opened on the site of the Oakengates Leisure Centre in September 2015.

Holy Trinity Academy

A new 900 place school opened in Priorslee in September 2015.

Mount Gilbert School

Modernisation and a new skills centre opened in Dawley in September 2012.

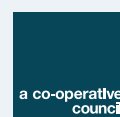
Southall School

Modernisation and a new sports hall opened in Dawley in March 2014.



Telford Langley School

A new 900 place school opened in Dawley in September 2013.



Building Schools for the Future



Telford Park School

A new 600 place school opened in September 2015 along with a new 420 place Grange Park Primary School opened in May 2017 in Stirchley.

Abraham Darby Academy

A new 1100 place school opened in September 2012 along with a new 420 place Woodlands Primary School opened in December 2012 in Madeley.



Adams Grammar School

Modernisation and new class bases opened in Newport in October 2014.

Burton Borough School

Modernisation and new class bases opened in Newport in May 2015.

Newport Girls High School

Remodelling and a new school hall opened in Newport in October 2012.



Madeley Academy

A new Post-16 facility and vocational training centre opened in Madeley in March 2012.

Lawley Village Primary Academy

A new 210 place primary school opened in Lawley in December 2015.





Belief is everything

Strategy for Children and Young People 0-25yrs with Special Educational Needs and Disabilities

2017- 2020

Our Vision We want children and young people, aged from 0 to 25, with SEND across Telford and Wrekin to make excellent progress; to achieve the best possible outcomes, to open doors for their own future and thus enable them to become active citizens within their community.

V2 Feb 17

Foreword

Telford and Wrekin Council want our children and young people with Special Educational Needs and Disability (SEND) to achieve, live fulfilling lives and be part of their local communities. We have aspirations that all children and young people will succeed and the very best outcomes will be achieved. You, our residents, tell us that you would like our services to enable you to be as independent as possible but when you need it you have access to the right support at the right time.



This policy has been developed to achieve our goals. It recognises that we will need to collaborate and work with schools, colleges and settings in the maintained and non-maintained sectors, health and social care, including adult services and the voluntary sector. Partnership will be key.

I am determined that young people with SEND, their parents, families and carers will work with us to co-produce our offer. By further developing close relationships within our community I am confident that we will improve outcomes for children and young people with SEND.

Cllr Gilly Reynolds Cabinet Member for Education, Employment and Regeneration

Mickey Bushell (MBE)

My primary education was at Holmer Lake Primary School on Brookside where the teachers were really supportive and treated me like any other kid. This was important as I grew up because I felt like I wasn't singled out, because of my disability, but integrated into school life with my friends. There was nothing that was too much trouble for the school, they found a solution for every problem.



Being able to attend a mainstream school and to mix with kids of my own age allowed me to make friends and gave me the academic challenge I needed. I had some support from a special learning teacher who gave me extra work.

At the time I wasn't particularly pleased, but looking back I can see that this helped me to catch up with my peers. Many of my teachers have followed my career with interest, kept in contact, turned up to events and cheered me on. I take pleasure in visiting schools now, showing children my medals and hopefully giving them some inspiration.

Parents of course play a crucial role too and without their support success would not be possible. For young athletes there is a heavy schedule of training and events and a constant need for transport! Sometimes parents think it is best to wrap their child in cotton wool, especially when they have a disability, but it is important to let them breathe and experience things for themselves.

I first went to the World Championships during secondary school and my first Olympics were in Beijing in 2008. By this time I was at Telford College of Arts and Technology studying sport. The college supported my preparation and were very proud when I came back with my silver medal. The London 2012 Olympics were a dream come true. The home games and a home crowd motivate you to be better. In my case this led to a gold medal. In sport, but also in life, you can do anything. It takes hard work, lots of training and the support of all those around you. The power of the mind; how much you want to put into things; believing you can reach your goals, leads to success. My ethos for life is 'belief is everything'.



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Introduction

In Telford and Wrekin, we are ambitious for all children and young people and this is recognised in council priorities and our joint work with partners. A clear focus on ‘the right support at the right time’ across Children, Families and Adult services is particularly pertinent for any strategy for children and young people with Special Educational Needs and Disabilities (SEND). Right support at the right time is often termed early intervention and a clear focus in this strategy is identification and meeting the needs of young people, in whatever setting, as early and as quickly as possible. The family clearly has a key part to play and are considered co-producers in planning support for their children. Frequent, meaningful family conversations are key elements in the design of early intervention.

Support for children and young people with Special Educational Needs and Disability has undergone radical change since the implementation of the Children and Families Act on 1st September 2014. Education, health and social care are working hard to deliver on the ambition that greater integration of services will deliver better outcomes for children and young people with SEND.

In recent years there has been significant investment and redesign of local special school provision, including the establishment of Queensway as a setting for children with Autism and challenging behaviour with changes to admission for Haughton and Southall focusing on those children with complex needs. There has also been significant investment into special school sites under the umbrella of Building Schools for the Future, including the development of a Vocation Centre at Mount Gilbert and a Sports Hall and specialist teaching provisions at Southall. Post 16 provision has also changed, with provision at Queensway for post 16 delivered alongside Telford College and a new post 16 provider, The Willow Tree, built at the Telford College site to replace the post 16 provision at the Bridge. However, it’s not just about redesignations and redesigns, it’s also about quality; with one special school graded as ‘Outstanding’ and the majority of others as ‘Good’ the quality of specialist provision to meet the needs of our complex young people is clearly there.

To achieve our aim of early intervention, it is clear that strategic focus now needs to turn to our mainstream schools and early years settings. The provision for children with SEND in the majority of these is of high quality, but there is a requirement to build resilience in mainstream schools to meet increasing complexity of need. We need to capture existing skills and knowledge within our schools; share best practice and build their capacity so that they are equipped to manage our 21st century children. To do this we have already begun to redesign the role of the Local Authority SEND services to make sure these are best placed to work in partnership with educational providers. We also need to develop our relationships with key partners both within and outside of the council to further develop the Early Help offer and ensure that support for children and families is both timely and appropriate.

Despite the high quality work of schools to meet special educational needs, we do need to recognise that there are too many children and young people going to special schools, some far from home and out of borough, to have their education and care needs met. The special school population within Telford and Wrekin is proportionately higher than national and regional averages. This in turn results in a high proportion of funding on specialist places and transport. Too many children go to special schools because the right provision, skills and appropriate level of funding is not available in some mainstream schools. In addition refocusing early intervention within mainstream schools enables our specialist settings to concentrate on those learners with the most complex of needs.

This strategy needs to acknowledge the reality of the financial constraints under which we are all operating; resources across the council and its partners, including health, are stretched ever thinner. The renewed focus on Early Help therefore has the potential not just to meet the needs of the young people sooner and therefore to help bridge gaps, but also to focus resources at helping these young people to catch up and improve opportunities to increase access to the curriculum. We also need to consider the developing new role for the Local Authority more as a commissioner of provision and a champion of vulnerable children and families and less as a provider of services.

Whilst much progress has been achieved in recent years, we are aware that a more integrated strategy is needed to ensure we achieve further improvements and that education, health and social care must work closely together with the voluntary sector, to address the challenges we face. This strategy is designed to address these issues and to bring about the necessary improvements in the quality of provision for children and young people with SEND, from the earliest years of childhood, through the school years and into early adulthood. Ultimately the success of this strategy will be judged on the outcomes delivered for children, young people and their families.



National Context

Definitions

Special Educational Needs

A child or young person has SEN if they have a learning difficulty or disability which calls for special educational provision to be made for them. A child of compulsory school age or a young person has a learning difficulty or disability if they:

- (a) have a significantly greater difficulty in learning than the majority of others of the same age; or
- (b) have a disability which prevents or hinders them from making use of educational facilities of a kind generally provided for others of the same age in mainstream schools or mainstream post-16 institutions.
- (c) a child under compulsory school age has special educational needs if they fall within the definition at (a) or (b) above or would so do if special educational provision was not made for them.

Clause 20 Children and Families Act 2014

Disability

A person has a disability for the purposes of this Act if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities.

Equality Act (2010) – Section 6

Children and Families Act 2014

Covers reforms to SEND and also to adoption, care, family justice, flexible working, childcare and child welfare.



SEND Code of Practice 2014

Revised Code of Practice applicable from September 2014 - replaces that from 2001.

Further version published in January 2015 including revised guidance on youth custody published in April 2015.



Legislation

This Strategy is being implemented against a background of significant Government reforms to education, health and social care for children and young people with SEND (0-25) and their families and/or carers.

The overall purpose of the reforms is to:

- Implement a new approach to joining up support across education, health and care from birth to 25;
- Ensure help is offered at the earliest possible point;
- Ensure children and young people, parents and carers are fully involved in determining their goals and in decisions about the type of support they need to achieve these;
- Establish more efficient ways of working; and ultimately
- Bring about better outcomes for children and young people.

The specific requirements of the reforms are outlined in The Children and Families Act 2014. Guidance on implementation can be found in the revised SEND Code of Practice 2014.

The main requirements of the SEND Code of Practice 2014 are outlined below

- To involve parents, families and carers, young people and children in shaping the provision of services for those with SEND, and to develop closer co-operation with partners, including schools, academies and colleges, health providers, social care services as well as other local authorities and the Voluntary and Community Sector.
- To produce, in accordance with the bullet above, a 'Local Offer' which details all the services to support children and young people with SEND and their families in a clear and transparent way so they can understand what is available.
- To undertake joint assessment, planning and commissioning of services for those children between education, health and social care to ensure more streamlined and integrated support through a streamlined assessment process and single plan (EHC Plan) covering a child and young person from birth to age 25.
- To introduce a duty for joint commissioning to ensure joint responsibility for providing services.
- To provide an entitlement for parents, families and carers and young people to have a personal budget to extend their choice and control over the education, health and social care services they receive.
- To ensure positive transitions at all key stages within a 0-25 age range, especially in preparing for adulthood. Providing greater powers for the Local Authority to continue services post 18 and introducing new protections for young people aged 16-25.
- School Action and School Action Plus abolished and replaced with a single school category SEN Support, posing the question of what the school offer should look like to achieve better outcomes.

- To extend the SEND legal obligations of maintained schools to Further Education Colleges and academies (including free schools).

The above requirements became statutory obligations from September 2014. Some additional requirements related to supporting children and young people with SEND who are detained in custody became applicable from April 2015. Transitional arrangements apply up to April 2018 while children and young people with Statements of Special Educational Needs or Learning Disability Assessments are transferred to Education, Health and Care Plans (EHCPs).

The Telford and Wrekin SEND Strategy is fully aligned with the principles of the Children and Families Act 2014, has due regard to the Code of Practice 2014 and supports Telford and Wrekin's implementation of the SEND Reforms.

In addition to local authorities, a range of other public bodies are required to have due regard to the Children and Families Act and Code of Practice 2014. These include: schools, further education colleges, early years providers, NHS commissioners and provider organisations, local Health and Wellbeing Boards and Youth Offending Teams. An underlying tenet of the legislation and associated guidance is ensuring that all these bodies work more effectively together in the provision of support for children and young people with SEND, including ensuring that they experience better transitions.

The specific responsibilities of other public bodies are underpinned by a variety of legislation and guidance, for example, the NHS Mandate. Through the Mandate, the Department of Health have provided a duty for the NHS Commissioning Board to ensure children and young people with SEND can access the services identified within their agreed plans and have the option of a personal budget.

From 1 April 2013 the Health and Social Care Act 2012 gave General Practitioner (GP) led Clinical Commissioning Groups (CCGs) statutory responsibility for commissioning health services for children and adults. This legislation also transferred responsibility for public health from health to local authorities.

The relationships developed between local authorities and CCGs are therefore vital in establishing effective joint commissioning for SEND – something which both organisations are under a duty to deliver.

Under the same legislation local authorities were also required to establish Health and Wellbeing Boards. The role of these boards is to provide leadership to the development of local health and social care services and to ensure service provision becomes more integrated.



Telford and Wrekin Context

Telford and Wrekin Council is the lead partner in delivering the SEND reforms and this strategy. The context for the council was re-stated through 'Being the Change - Developing our Organisation, Services and a Senior Management Team to Meet the Challenges Ahead'; **Richard Partington - Managing Director, Telford & Wrekin Council** December 2015.

The principles set out in this document apply equally to SEND as to any other part of the council, and possibly even more so than for some.

Our 'One Council' approach looked at how we functioned and operated as an organisation and made major changes. Its principles were about:

- Functioning as one organisation with a shared set of priorities and values that are owned by all services
- Attacking cost, reducing duplication and overlaps and preventing departmentalism
- Securing economies of scale and concentrating/pooling expertise and knowledge
- Reducing unnecessary bureaucracy – 'de-cluttering' processes and procedures
- A streamlined, more flexible organisation that can act faster
- Promoting more collaborative working, maximising the synergies between services and reducing silo-working
- A strategic and comprehensive approach to organisational development and change management to transform the way we work.

Every aspect of this applies to the delivery of SEND, although in this case it applies to the council working in partnership within the local area and this would include parents, carers and young people.

Telford & Wrekin Council is a Co-operative Council. This means that we work together to collectively deliver the best we can for Telford & Wrekin with the combined resources we have. As a Co-operative Council we work to a core set of values which define how we do things, both collectively as an organisation and individually. These are about:

- Openness & Honesty
- Fairness & Respect
- Ownership
- Involvement

We will seek to achieve this through our priorities which were developed following extensive community consultation:

1. Put our children and young people first
2. Protect and create jobs as a 'Business Supporting, Business Winning Council'
3. Improve local people's prospects through education and skills training
4. Protect and support our vulnerable children and adults
5. Ensure that neighbourhoods are safe, clean and well maintained
6. Improve the health and well-being of our communities and address health inequalities
7. Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing

Whilst the SEND Strategy fits with a number of these priorities, it clearly sits very firmly under numbers 1, 3, 4 and 6.

Prevention is one of the key aspects of the council strategy, *'it is about encouraging people to help themselves to prevent needs developing in the first place: people being more able to make positive lifestyle choices (diet, exercise, smoking) and have greater control over other key decisions in their life such as where they are going to live. Through this choice they will more often play a more active role in their community, creating stronger communities.'* Prevention is at the heart of this SEND Strategy; in supporting schools to develop high quality support for all learners, at what is often called the 'Universal Support' level, then if the needs of the learners are better met, there will be fewer learners progressing onto SEN Support level.

The next level of support defined in 'Being the Change', is '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. This defines the principles behind SEN support delivered in early years provision and school settings where positive impact prevents the need for further resource, less learners moving into statutory processes including Education, Health and Care Plans (EHCPs) and consequently less demand for higher services such as special schools.

The local communities are also at the heart of the local strategy, a strong moral purpose of the SEND strategy should be to ensure all children and young people are able to operate as active members of their community. This is clearly best achieved if they are part of that community and therefore should be educated as close to home as possible.



Where Are We Now?

The total school population across Telford and Wrekin has increased from 27,361 in 2012 to 28,925 in 2016. This rate of increase is greater than the national average. In the same time period, the number of children at SEN Support has decreased from 5,185 (19%) to 4,433 (15.3%). The national proportion of children at SEN support has also decreased from 17% to 11.6%. There is therefore, a greater proportion of the school population at SEN support in Telford and Wrekin. However in line with the national trend this is reducing.



The number of young people with a Statement of SEN or EHC Plan has reduced from 1,057 (3.9%) in 2012 to 961 (3.3%) in 2016 (January SEN return). During the same time period, the national rate of Statements/EHCPs has remained static at 2.8%. The proportion of Statements or EHC Plans is therefore greater in Telford and Wrekin than national although this has reduced bringing it closer to the national rate. However, this proportion is expected to increase again with many new referrals across the calendar year in 2016.

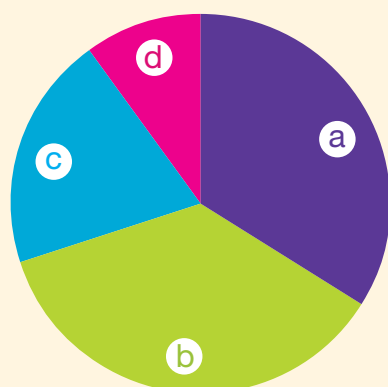
The number of students in special schools has increased from 445 (42.3% of those with

a Statement/EHCP) in 2012 to 498 (45.8%) in 2016. At the same time the number of students in external independent settings has reduced from 69 (6.4% of those with a statement/EHCP) in 2012 to 37 (3.4%) in 2016. The proportion of students placed in independent settings by Telford and Wrekin is lower than the national average.

Outcomes at Key Stages 1 and 2 for Telford and Wrekin students at SEN Support and for those with a Statement/EHCP were above national averages in 2015. Progress from Key Stage 1 to 2 was above national for SEN Support but below national for Statement/EHCP although this has improved year on year. At Key Stage 4 the average point scores for students at SEN Support and for those with a Statement/EHCP was above national in 2015, however the headline figure of 5 GCSEs at grades A* to C was below national for both of these SEN groups. The progress from Key Stage 2 to 4 was above national for SEN Support but below national for Statements/EHCPs.

In summary Telford and Wrekin has a greater proportion of children identified with Special Educational Needs, both at SEN Support and with Statements or EHC Plans, than the national averages. A high proportion of the students with Statements/EHCPs are educated in special schools, however a lower proportion than nationally attend independent specialist provisions. This suggests that the range of special schools in Telford and Wrekin is appropriate to meet the needs of a high proportion of the students whose needs are beyond that provided by mainstream schools. The outcomes at Key Stages 1 and 2 are largely good however, there is a need to improve some of the outcomes at Key Stage 4.

The primary needs of the young people with a statement of SEN or an EHC Plan across Telford and Wrekin are broadly broken down into the following proportions across the four domains:



- a** Cognition and Learning (34%)
- b** Communication and Interaction (36%)
- c** Social, Emotional and Mental Health (20%)
- d** Sensory and/or Physical (10%)

Our Vision

We want children and young people, aged from 0 to 25, with SEND across Telford and Wrekin to make excellent progress; to achieve the best possible outcomes, to open doors for their own future and thus enable them to become active citizens within their community.

Our Principles

This vision and delivery of key priorities will be underpinned by the following principles:

Collective responsibility – SEND is everyone’s business and we need a fair system where everyone plays their part to solve even the most complex of problems.

Early Support and Intervention – Early help and support through a high quality graduated response to offset and mitigate against the entrenchment of difficulties.

Inclusion - The majority of children and young people with SEND will attend mainstream settings with support from specialist providers.

Localisation - Children and young people should be educated as close to their home as possible to support meaningful engagement in their community.

Personalisation - A personalised approach leading to greater choice and control for families, valuing unique circumstances.

Co-production - Parents and carers know their children and families the best. They are active participants in decision making and help to develop and shape services.

Partnership – Integration, joint commissioning and coordination of approaches to deliver better outcomes for children and young people with SEND.

Culture Change – Our ‘SEND offer’ must change which means we need to think in different ways, create alternative methods for delivery and develop more flexible approaches to support.



Our Priorities

We will deliver the SEND Strategy through 4 key priorities outlined in the following pages. These priorities and their underpinning delivery objectives, along with the vision and principles above, have been informed by extensive consultation and co-production with partners; including parents, health, care colleagues and educational settings.

Priority 1 – To ensure that every child and young person with SEND makes excellent progress, through access to high quality provision.

Priority 2 – To engage with children, young people and their families to promote early identification and support that meets need.

Priority 3 – To develop smooth progression to adulthood for all young people with SEND.

Priority 4 – To create robust governance structures and effective partnership across key agencies that ensure services meet the needs of children, young people and their families.



Priority 1

To ensure that every child and young person with SEND makes excellent progress, through access to high quality provision for every child and young person.

This is important because...

Children with SEND often start phases of education with lower levels of attainment than their peers. We aim to support these young people to make the best possible progress they can, to close the gap on their peers, and to open the door to the next phase of education and into their adult life activities. All groups of children, including those with SEND, make the best progress in those schools and providers which have an overall Ofsted grade of 'Good' or 'Outstanding'; however, for those schools that are not graded good or outstanding, we aim to support these schools to ensure that the SEND provision is high quality.

Our Delivery Objectives

1.1 By 2018 provide a framework for all schools and settings to self assess their SEND provision and identify actions to improve this, leading to a SEND Quality Mark.

1.2 By 2018 work alongside the Severn Teaching School Alliance to identify and provide Specialist Leaders of Education and Lead Teachers to support schools in this self evaluation process, to moderate their self assessment and use best practice in other schools to identify next steps.

1.3 By 2017 further develop the role of the SEND Officers to build closer relationships with schools and to provide feedback and support for this self evaluation.

1.4 By 2018 provide feedback to schools on the quality of and opportunities for improvement in any plans to support young people, whether at 'SEN Support' level or with an 'Education, Health and Care Plan'.

1.5 By 2018 ensure there is a robust Quality Assurance process across all Special Schools in Telford and Wrekin to challenge under performance and support appropriate action plans towards achieving 'Good' or 'Outstanding'.

1.6 By 2019 provide a mechanism to share outcomes and progress of students with SEND compared to their peers across schools as a benchmark of their performance.

1.7 By 2019 develop a Lead Governor role to share best practice across SEND governors and to support new governors in understanding their responsibilities with regard to SEND.

1.8 By 2018 develop a broader continuum of provision including enhanced resource bases and centres of excellence in mainstream schools that support young people with different aspects of SEND, working in partnership with specialist providers to share best practice across the borough.

1.9 By 2018 support schools to develop the way in which they contribute to and enhance the Telford and Wrekin Local Offer through developing an effective range of in-class and additional interventions and strategies.

1.10 By 2018 focus on improving the way in which schools use the resources available to them; maximising the positive impact of SEND funding and Pupil Premium Grant on pupil achievement.

1.11 By 2017 refresh SEND guidance for early years, schools and colleges.

1.12 Between 2017-2020 further develop regional and national links to allow the sharing of best practice.

Our Success Measures

1a Outcomes at the end of each key stage for students identified with SEND will be above national averages for equivalent groups.

1b Progress made between key stages for students identified with SEND will be above national averages for equivalent groups.

1c Outcomes and progress for students identified with SEND will demonstrate that they are closing the gap on their peers.

1d Every school and setting will be graded by Ofsted as 'Good' or better.

1e Individual school and setting Ofsted reports will recognise the good level of support for young people with SEND.

1f Provision across the graduated response is mapped, gaps identified and filled with all provision shared through the Local Offer.

1g Parents express an improved level of confidence with provision for SEND in mainstream schools.

1h All children have a school placement with improved levels of attendance.

1i Reduced, permanent and fixed term exclusions for pupils with SEND.





Priority 2

To engage with children, young people and their families to promote early identification and support that meets need.

This is important because...

To support children and young people with Special Educational Needs and Disabilities to make the best possible progress we need to identify and meet their needs as early as possible in their school careers. Inevitably, good parents know their child better than anyone else and therefore we need to engage them at the earliest possible stage in any discussions around meeting the needs of their child. In many cases, early identification of need and appropriate actions to support these not only mean that the child has the chance to make good progress but can result in the child's needs being met within a mainstream environment with access to a wide curriculum offer.

Our Delivery Objectives

2.1 Between 2017-2020 empower parents, families, young people and carers to understand and positively engage in processes to support children and young people with Special Educational Needs and Disabilities.

2.2 Between 2017-2020 support schools to contribute to, and enhance the Telford and Wrekin Local Offer through developing an effective range of in-class and additional interventions and strategies.

2.3 By 2017 work with schools to develop accepted practice that parents are engaged in a 'Family Conversation' or, where a CAF is in place, a TAC to co-produce support plans at 'SEN Support' level.

2.4 By 2018 ensure appropriate, independent support and advice for parents is signposted by all services.

2.5 By 2019 engage a range of professionals, including Health and Care professionals where appropriate, earlier in the support process to identify and meet the needs of the child.

2.6 By 2018 support schools and settings to provide early, accurate and timely assessment, through well trained staff, keeping to a minimum delays between assessment and action.

2.7 By 2017 support schools in providing appropriate early help by redesigning the range of services available, developing opportunities for peer support and challenge, and more flexible access to funding for those with high needs, focusing on building the capacity, skills and resilience of mainstream settings to meet increasing complexity of need.

2.8 By 2018 ensure support plans are based on thorough assessments of a child's needs through engagement of services such as the Early Years Teachers, Sensory Inclusion Service, Learning Support Advisory Team, Behaviour Support Advisory Team, Portage service and Educational Psychology.

2.9 By 2018 use existing relationships that families have with independent support or through schools to provide continuity through Education Health and Care Needs Assessments and in particular the One Page Profile.

2.10 By 2017 ensure that a range of partners including young people and their families are engaged in the co-production of plans through a 'Family Conversation'.

Our Success Measures

2a Parental feedback demonstrates that they have been provided with accurate and appropriate information in a timely manner.

2b Increased parental satisfaction in the assessment process is demonstrated by a reduced number of complaints and tribunals.

2c Earlier intervention strategies lead to a reduced number of requests for Education, Health and Care Needs Assessments especially for children of secondary age.

2d Reduced demand for special school places.

2e All schools publish a high quality SEN information report.

> Priority 3

To develop smooth progression to adulthood for all young people with SEND.

This is important because...

To enable children and young people with SEND to become active citizens within their community we need to work in partnership to ensure young people gain as much independence as possible. In considering plans to support young people whilst of school age, we need to support the development of their aspirations for transitions beyond school. For young people of college age, we need to plan for transitions into adulthood with appropriate levels of support, not just from central services but also from families and the community. Telford and Wrekin Council and its partners are committed to work together to overcome obstacles and join up services in order to achieve this aim of independent, active residents.

Our Delivery Objectives

3.1 Between 2017 and 2020 ensure the needs of young people are identified and that appropriate support is planned from the earliest possible age; with integrated specialist services working across Early Years provisions.

3.2 By 2019 provide continuity of support for young people post 16 by redefining the SEND locality teams to provide support up to the age of 25.

3.3 By 2018 ensure provision maps for 16 to 19 year olds and for 19 to 25 year olds are accessible through the Local Offer.

3.4 By 2017 ensure that children with SEND have access to appropriate independent advice both pre and post 16 so that future aspirations, needs and circumstances are reflected in plans.

3.5 By 2018 review Local Authority provision that supports SEND and post 16 services for young people and complete an options appraisal, considering merging roles and responsibilities between teams.

3.5 By 2019 provide greater opportunities for young people to access college, work experience placements, apprenticeships, supported internships and job coaching.

3.6 By 2019 promote independence, rights, choice and inclusion for all young people through a person centred approach.

3.7 By 2018 work alongside Adult Social Care to ensure a seamless package of support is brokered to prepare for independent living within the community.

Our Success Measures

3a The number of young people with SEND aged 16-25 engaged in education, employment and training will increase.

3b All EHCPs for children aged 14 and beyond reflect aspirations for future training or employment.

3c There is an increased uptake of college courses and apprenticeships for students with SEND aged 16-19.

3d All students with SEND have access to independent advice and guidance and those with the greatest need have access to a personal adviser.

3e Those students with continuing care needs have future support and transitions to adult care mapped into EHCPs.





Priority 4

To create robust governance structures and effective partnership across key agencies that ensure services meet the needs of children, young people and their families.

This is important because...

To ensure the best possible service to meet the needs of children and young people with SEND we need to ensure transparency around all processes and access to accurate information. It is important to engage with all partners, including parents and the young people themselves, to get feedback on the effectiveness of the processes around SEND. Both the timeliness of the process to assess and support young people and the quality of the plans produced should be challenged to ensure these are as good as possible. Ultimately the people of Telford and Wrekin are represented by the elected members, they should have access to accurate up to date information, both quantitative and qualitative, with which to challenge the SEND team on behalf of the Children and Young People of Telford and Wrekin.

Our Delivery Objectives

4.1 By 2017 engage all stakeholders, including parent representatives, to participate in a governance board which in turn can challenge all partners where the needs of young people are not being met.

4.2 By 2017 ensure all partners have access to accurate and timely data to demonstrate the effectiveness of the SEND processes.

4.3 By 2017 update and refresh the local area joint strategic needs analysis with a sharp focus on Special Education Needs and vulnerable groups.

4.4 By 2017 ensure that developments within SEND are aligned with overarching strategies and are represented through the Early Help Partnership Board and the Health and Wellbeing Board.

4.5 By 2019 ensure that assessment processes and services are user friendly, easily accessible, well communicated and that they meet statutory requirements.

4.6 By 2018 ensure all criteria and thresholds for additional support through Education, Health and Care Plans are clearly defined and available to all partners.

4.7 By 2017 review specialist provision to ensure special schools reflect the needs of children and young people in the local area, admission criteria is well understood and sufficiency in line with population growth is determined.

4.8 By 2017 introduce a moderation panel to support the local authority with its decision making responsibilities around the Education, Health and Care Plan processes.

4.9 By 2018 develop a Quality Assurance process for Education, Health and Care Plans and requests for assessment, providing feedback to all parties involved to help improve the quality of plans and the advice which informs them.

4.10 By 2017 engage parent groups and other partners in regular consultation and use feedback to help shape services.

4.11 By 2018 engage all partners in co-production of plans to ensure that advice is timely and that statutory timescales are met.

4.12 By 2019 processes for the joint commissioning of provision are clear and facilitate timely decisions where jointly commissioned provision is needed.

Our Success Measures

4a A Governance Board is in place which meets regularly and demonstrates challenge to the delivery of the SEND processes.

4b Data reports are available monthly and demonstrate progress against key success measures.

4c Surveys demonstrate an increased level of satisfaction with the SEND processes.

4d There is an increase in the proportion of EHCPs published within statutory timescales.

4e There is demonstrable progress in the quality of EHC plans published.

4f There is a reduction in children out of school or waiting for special school placements.

4g All young people in need on tripartite funding identified with evidence of timely interventions including placements where needed.



Reviewing and monitoring our strategy

An annual action plan will be developed, focused on the delivery of objectives specified in this strategy. Telford and Wrekin Council will publish a report every 12 months, from the date of original publication, providing an update of our progress against the success measures specified. This action plan will sit alongside our local area SEND self-evaluation framework which supports our continuous journey of self-improvement and can be found on the Local Offer at www.telfordsend.org.uk



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TELFORD & WREKIN COUNCIL**CABINET 13 JULY 2017
COUNCIL 21 SEPTEMBER 2017****TELFORD LAND DEAL****REPORT OF ASSISTANT DIRECTOR: BUSINESS, DEVELOPMENT & EMPLOYMENT****LEAD MEMBERS - CLLR SHAUN DAVIES AND CLLR LEE CARTER****PART A – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Over the past 12 months the Borough has seen unprecedented investment into both commercial and residential development. Driven by initiatives including the £50m Growth Fund, the subject of a twin report to Cabinet, and the Telford Land Deal the new developments, a number of which are close to completion and delivering new, local job opportunities – are a key part of the Council’s commitment to ‘creating a better Borough’.
- 1.2 The Council entered into the Telford Land Deal with the HCA in March 2016 and is set to see £44.5m of land receipts from the sale of agreed Homes & Communities Agency (HCA) assets in Telford recycled back into the local area, supporting the delivery of new homes, jobs and commercial floor space.
- 1.3 Formally signed just over one year ago the Deal has already delivered gross land sales of c.£7.2m, 277 new homes and over 400 new jobs – many highly skilled – with construction work benefitting local companies and new investors set to stimulate further growth in the supply chain.
- 1.4 Over the next 12 months the Deal is set to deliver a further circa £17m of gross land sales, close to 600 jobs and over 300 new homes. In addition over the next 12 months investment through the Deal will support the delivery of a new Innovation Park in Newport providing opportunities for start ups and larger companies to invest and enabling the Borough to build on the opportunities in the Agri Technology sector – establishing its reputation as a national focus for this growth sector.
- 1.5 By the end of 17/18 it is also anticipated that the Deal will deliver c.£3m in local profit share – a cut of the profits from land sales which have been achieved above the HCA base land values. This will be the first time the local area has shared in such profits previously returned to the Treasury. The Report seeks approval to a delegated procedure for the determination of where and what the uplift monies generated are invested in.
- 1.6 The Report also confirms that agreement has been reached in respect of the transfer of the HCA liability sites (i.e. those that have no development value) which was a condition of the original Deal and seeks approval to how the capital balance of dowry monies received from HCA to support the maintenance of these sites, should be treated.

2 RECOMMENDATIONS

2.1 That Cabinet note the outcomes achieved since the Land Deal was completed as is set out in section 4 of this report.

2.2 That Cabinet delegate authority to the Assistant Director: Business, Development & Employment in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance, Commercial Services and Economic Development to consider the business case and determine the use of uplift monies, in line with the parameters set out in section 5 of this report.

2.3 That Cabinet delegate authority to the Assistant Director: Business, Development & Employment and Assistant Director – Neighbourhood & Customer Services to undertake the investments (as appropriate to the Service Area lead) following approval to the business case as set out in 2.2;

2.4 That Cabinet recommend to Full Council that delegated authority be given to the Assistant Director: Business, Development & Employment in consultation with Assistant Director: Finance & Human Resources and the Cabinet Member Council Finance, Commercial Services and Economic Development to consider the business case and determine the investment of the balance of the liability capital settlement as set out in section 6.2 of this report.

2.5 That Cabinet recommend to Full Council that delegated authority be given to the Assistant Director: Business, Development & Employment to undertake the investments following approval to the business case as set out in 2.4;

2.6 That Cabinet delegate authority to the Assistant Director: Legal, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	<ul style="list-style-type: none">• Protect and create jobs as part of a “business supporting, business wining council.”• Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing• Ensure that neighbourhoods are safe, clean and well maintained
	Will the proposals impact on specific groups of people?	
	Yes	The investment delivered through the HCA Land Deal will have a positive impact across the Borough, helping to delivery new infrastructure, deliver new jobs and new homes, support businesses to grow and new investment which will support action to reduce unemployment, increase economic independence and address social inequality.

TARGET COMPLETION/ DELIVERY DATE	The use of profit share monies will occur during the 10 year Land Deal.							
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>The original HCA Land Deal funding model set out the following in terms of the allocation of the Profit Share generated through the Land Deal:</p> <table border="1" data-bbox="563 454 1425 678"> <tr> <td data-bbox="563 454 994 495">Profit Share HCA</td> <td data-bbox="1002 454 1425 495">15%</td> </tr> <tr> <td data-bbox="563 499 994 539">Profit Share TWC</td> <td data-bbox="1002 499 1425 539">85%</td> </tr> <tr> <td data-bbox="563 566 994 656">Within 85% TWC Profit Share</td> <td data-bbox="1002 566 1425 656">First £2m earmarked for constrained sites 15% to the Marches LEP</td> </tr> </table> <p>Telford & Wrekin Councils proportion of the Profit Share (85%) over the 10 years was estimated at £19.3m – of which £2m was initially ring fenced to support the bringing forward of constrained sites owned by HCA and an estimated £2.6m will be payable to The Marches LEP Investment Fund over the 10 year programme as their 15% share of net uplift (15% of £17.3m) leaving TWC with a net fund of £14.7 million. The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board and work will be undertaken to keep updating the 10 year projections to take into account the agreed changes.</p> <p>Since the start of the Land Deal, Telford & Wrekin Council has spent some £9.4m into bringing forward sites for development. Over the first 3 years of the deal (until end of 2017/18) the total Profit Share is estimated to be £3m. The Land Deal Board has final authority to determine investment of both the TWC and Marches LEP Profit Share. This report is seeking delegated authority to formulate proposals for the Land Deal Board to consider, as detailed in Section 5. As set out in the report, the AD: Finance & HR will consider the business cases as they come forward. Further details of the criteria used in determine the use of uplift monies are included in section 5.</p> <p>The Land Deal also included the transfer of HCA liability sites to Telford & Wrekin Council and an agreement in relation to these has been reached. This includes a settlement for the transfer of the liability land held by HCA which is based upon a capital sum payable in two tranches to Telford & Wrekin Council amounting to £3m in total. In addition £1m is being taken from the constrained sites fund detailed above giving a total sum of £4m. There is a requirement to spend an initial £750k on sites with the balance of £3.25m to be held for ongoing maintenance and repair. Given the future revenue costs going forward as set out in section 6 below it is proposed to invest the balance figure in a property asset(s) which will provide an ongoing revenue income stream which</p>	Profit Share HCA	15%	Profit Share TWC	85%	Within 85% TWC Profit Share	First £2m earmarked for constrained sites 15% to the Marches LEP
Profit Share HCA	15%							
Profit Share TWC	85%							
Within 85% TWC Profit Share	First £2m earmarked for constrained sites 15% to the Marches LEP							

		<p>will be set aside to meet these costs (in addition to the base budget already approved of £18k per annum). As set out in the report, the AD: Finance & HR will consider the business cases associated with the proposed investments on an individual basis.</p> <p>DR 19 4 17</p>
LEGAL ISSUES	Yes	<p>The legal transfer of the Core liability sites has been completed and the balance of sites are due to be transferred in the next 12 months.</p> <p>Legal Services will continue to monitor the liability transfers and the Authorities obligations under the Land Deal Agreement.</p> <p>JH 17 5 17</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	<p>The use of uplift monies provides the opportunity for investment to support further growth initiatives, including investments into strategic infrastructure and supporting developments.</p> <p>The Land Deal is based on the devolution to the local area (Telford & Wrekin Borough), of both risk and reward. HCA will receive the 2015 book values for all sites sold before net receipts are shared. On the majority of sites the actual land receipt achieved will be higher than the HCA book value due to investment into infrastructure etc. and the added value created through obtaining necessary planning permission.</p> <p>A further risk is the failure to dispose of the sites in accordance with the anticipated values or phasing of delivery to market after the Council has incurred significant capital expenditure. This could for example arise should local or national economic factors impact on the demand for developable land. This risk is mitigated by close scrutiny of the investments being proposed, the market and the role of the Land Deal Board (where the Council is represented by the Leader) agreeing to each land disposal. The Land Deal Agreement also allows for early termination in the event that major economic shocks impacting in delivery arise.</p>
IMPACT ON SPECIFIC WARDS	No	Borough wide impact.

PART B – ADDITIONAL INFORMATION

4. OUTCOMES TO DATE

- 4.1 Since the basedate of the Telford Land Deal the Deal has delivered the sale of 8 commercial sites and 7 sites for residential development. This has achieved a gross sale income of **£7,175,562**. The sites have delivered Employment Floor Space (EFS) of **35,504sqm** and **277** new homes and the commercial premises are anticipated to deliver

c.**405** new jobs, many in engineering and manufacturing adding skilled job opportunities for the Borough's communities.

- 4.2 A further 8 commercial sites and 2 residential sites are currently being negotiated and are anticipated to achieve a gross sales income of c. **£17million** in 2017/18 delivering new employment floor space of **41,467sqm (446,184sqft)**, anticipated job numbers of c.**588** and **320** new homes.
- 4.3 The Deal alongside the Council's Enterprise Telford business pledge and the Council's ability to provide land, build and lease bespoke properties and offer a full turnkey solution through its **£50m Growth Fund** is driving a high number of enquiries and has meant sites coming forward even faster than envisaged in the original programme. The Borough is seeing significant interest from the automotive and advanced manufacturing sector due in part to the continued growth of Jaguar Land Rover in the midlands region and the strength of the existing supply chain in the Borough with many resident companies expanding. Other related sectors that are active and expanding include food processing and agri tech, with the Land Deal set to make a £1m investment alongside the Government's LGF3 investment into delivering a new 10 Ha Innovation Park in Newport.
- 4.4 The investments coming forward are dominated by new investors entering the Borough or existing companies expanding taking additional floorspace/premises and is not leading to a major displacement of local companies from other local estates. The void level for industrial premises across all the Borough's estates is low with Telford & Wrekin Council currently holding only 2 voids across the over 300 industrial units within the Property Investment Portfolio with Andrew Dixon, a local agent managing a significant local portfolio commenting recently on the limited void stock across Telford.
- 4.5 The scale of investment sees the Borough established as a major inward investment destination and is delivering infrastructure, jobs and homes that are key to the Council's commitment to 'creating a better Borough'.

4.5 **Examples of Investments**

Details of all the achievements to date are included in the annual Status Report produced under the Deal for DCLG (Appendix 2). Specific examples of investments delivered through the Deal and the Council's investment include:

T54 – Flagship Automotive and Advanced Engineering employment site:

Plot 6 - Being developed by Magna International a Canadian tier 1 automotive company. The company are investing over £80 million into building a 250,000sqm plant at T54 delivering 300 new jobs in phase 1 with a further 300 in future phases.

The investment is understood to be the largest new overseas investment in to the UK in the last 10 years.



Magna April 2017

Plots 2 & 3 - Polytec have acquired plots at T54 which are due to deliver a new manufacturing plant of 136,000sqft and c.250 jobs over 3 phases of development.



Polytec June 17

Halesfield – Employment Site

Plot 2 Halesfield 24 – Site sold to Wrekin Pneumatics an existing Telford Company (currently located at Dawley Bank), for a new headquarters.

Plot 3 Halesfield 23 – Site sold to Alkane Energy for electricity backup storage

Plot A Halesfield 25 – Site sold to subsidiary of Travis Perkins for a storage warehouse for civil engineering equipment

Hortonwood West – New Industrial estate extending to 65 acres and delivering 750,000sqft of new employment floor space

Plots 3, 4 & 5 – Land sale agreed with existing Telford business for new additional manufacturing facility which will deliver over 260,000sqft in two phases.

Plot 6 – Land sale agreed with Baker Bellfield an existing Telford Business for new additional manufacturing facility which will deliver over 40,000sqft

Plots 9 – Site sold to TWC where through investment from the Council's £50m Growth Fund a new 65,000sqft industrial building is being delivered to support the relocation of Rosewood Pet Products a business from the West Midlands.

Plot 10 – Site sold to TWC where through the £50m Growth Fund a new 30,000sqft industrial building is being built to support an existing Telford business expansion.



Units 9 & 10 Hortonwood West – June 17

Demand in the residential market also remains strong with the Borough delivering c.1200 new homes in 16/17 and maintaining its position as number 2 nationally in the Centre for Cities ranking for housing delivery for the third year running.

5. Investment of Locally Retained Profit Share

- 5.1 Under the terms of the Land Deal it was projected that c. £19.3m of local profit share would be delivered when land is sold above HCA baseline values over the 10 year programme.

As part of the Agreement with Government a proportion of this is to be made available to the Marches Local Enterprise Partnership (LEP) to invest through the Marches Investment Fund.

- 5.2 The success achieved last year and deals set to be agreed in Q1 17/18 mean an initial profit share of c£3m is anticipated by the end of 17/18. Under the terms of the Deal the first £2m has to be set aside to support delivery of constrained sites leaving a projected £1m to reinvest into supporting further growth, of which 15% will go to the LEP.
- 5.3 The key principles underpinning how the investment of local profit share will be made were agreed as part of the Land Deal. Central to these is that the investment directly supports the objectives of the Land Deal which is to deliver new homes, new jobs and increased commercial floor space. The Agreement also sets out :-
- That Investment supports wider policy objectives of the local authority, HCA and Government to drive growth, economic development and regeneration
 - That the appraisal of proposals is proportionate to the level of investment being sought and sufficiently flexible to allow for a range of investment opportunities
 - That proposals be supported by a business case reflecting treasury guidelines
 - That investments accord with local authority procurement rules
 - That monitoring and evaluation of the impact of the scheme is in place

The Land Deal Board, established as a requirement of the Deal to oversee its delivery, has the final authority to determine investment of profit share by both Telford & Wrekin and Marches LEP profit share. This will be undertaken on the basis of an individual business case. This report seeks approval to delegate the selection of projects to be put forward for approval to the Land Deal Board, to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance, Commercial Services and Economic Development.

It is anticipated that the schemes that could come forward could include;

- Provision of gap funding for new build developments where there is demand and a need for funding to meet a viability gap in a project (see case study in Appendix 1),
- Investment into strategic on site infrastructure such as new site accesses and
- Investment into off site strategic infrastructure such as highway improvements and utility upgrades.
- Investment into projects in local communities where development through the Land Deal is taking place, including supporting stalled sites and skills training.

6. Transfer of HCA Liability Sites to TWC

- 6.1 A condition of the Land Deal was that within 12 months of signature an agreement would be reached for the transfer of all other HCA liability (i.e. undevelopable) sites to TWC ownership. In accordance with the approved delegations set out in the March 16 Land Deal report, agreement has now been achieved with the first tranche of sites transferred to the Council.
- 6.2 The agreement reached includes the receipt of a dowry of £3 million in capital funding from HCA (£1.2 million in 16/17 and the balance in 17/18) together with the agreement to the use

of £1 million of local profit share (that had been originally ring fenced to be invested into HCA constrained sites).

- 6.3 Initial evaluation of the sites transferring indicates a need to spend an initial c.£750,000 from this pot on the transferring sites. With the majority of the spend being used to bring roads up to an adoptable standard as well as a small proportion for general maintenance works.
- 6.4 This leaves approximately £3.25 million of the 'dowry' to be held to cover future maintenance costs. Given the strength of return on investment of the £50m Growth Fund and opportunities in the market, approval is sought to invest the balance of capital money into property asset(s), which will generate an ongoing revenue stream to meet ongoing revenue costs. Agreement to such an investment would follow the same delegated process as currently in place for investment of the £50m Growth Fund. This requires a business case to be approved by the Assistant Director for Business, Development & Employment in consultation with the Assistant Director for Finance & Human Resources and the Cabinet Member for Council Finance, Commercial Services and Economic Development.

7. PREVIOUS MINUTES

Cabinet – 11 January 2011, CB-110

Cabinet – 17 October 2013

Cabinet – March 2015

Full Council – 3 March 2016, CB-79

**Report prepared by James Dunn Estates & Investments Service Delivery Manager:
01952 384331**

Case Study for Investment of Profit Share into Starter Units:

The Borough continues to see strong demand for a range of sizes of industrial units with a very low level of void rates across both the Councils and wider private portfolios. This demand includes smaller, starter or grow on units which are important to establishing new businesses in a range of sectors including food manufacturing and general industrial but also in areas of high value of engineering/manufacturing including robotics, 3D printing and digital sector. Such investment can provide a foundation for these businesses to then expand and grow in the borough potentially taking up other premises/sited delivered through the Deal. Currently however given enhanced costs associated with the construction of small units (in respect of the additional walls, toilets, roller shutter doors etc.) against market rents there is a viability gap, as is shown in the budget estimate for a scheme of some 16,700sqft (split into small units ranging in size from 700 to 1000sqft) below:

- a) Total Build Cost (including land): £1,700,000
- b) Market Rent: £80,000
- c) Capital Value (Growth Fund contribution): £1,150,000
- d) Viability Gap (Profit Share contribution): £550,000

The use of uplift monies would enable the delivery of much needed new starter units within the Borough making investment through the £50m Growth fund viable and unlocking future growth potential.

TELFORD Land Deal

DCLG Status Report June 2017





Delivery of strategic infrastructure

Apley :
Delivery of 100
residential units

T54 : Magna International
250,000sqft
manufacturing plant
295 jobs



T54 : Polytec
136,500sqft
manufacturing plant
250 jobs

*“Telford is currently
the beating heart
of foreign direct
investment”*



Hortonwood West :
400,000sqft across 4
developments
250 jobs



Foreword:

The Telford Land Deal has established a new model for reinvestment of public land receipts into delivering new homes and jobs, raising land values and accelerating growth. In 12 months the Deal has delivered above and beyond the original business case and year one Investment & Delivery Plan. This has included one of the largest UK inward investments in 10 years which has seen Magna International investing c.£80m into T54 delivering c.600 jobs over 2 phases. Polytec, another tier 1 automotive supplier is set to follow suit with the delivery of c.250 jobs over 3 phases. Telford has been identified for the third year running as number 2 nationally for housing growth by the Centre for Cities. Through the Deal we have already seen residential land sales set to deliver 272 new homes with land sales in the first quarter of 17/18 delivering a further 100 homes.

The Telford Land Deal is devolution in action directly benefitting communities across Telford and the Marches with new jobs and homes. It has exceeded Government capital receipt targets and is providing local profit share which is set to be invested straight back into delivering further growth.

Councillor Shaun Davies, Telford & Wrekin Council Leader

The Telford Land Deal was established to offer Telford & Wrekin Council the opportunity to take responsibility for the marketing and disposal of remaining HCA land holdings in Telford. In these early stages of delivering the deal it's really encouraging to see some great successes, enabling the Council to work with both existing businesses looking to expand and attracting significant new investors to the town. The deal is already offering new jobs for local people as well as the opportunity to develop new homes to help more local people in Telford have access to a home of their own.

Karl Tupling, General Manager for the Homes and Communities Agency (HCA) in the Midlands,

The Telford Land Deal is already having a direct impact on the economic growth potential of our region.

The early multi-million pound investment announced by Magna International was made possible because of this deal and served as a significant vote of confidence for the region's advanced manufacturing and automotive sectors. It also demonstrated the impact that the historic land deal could have, given that the outputs for this single investment are not just the 295 jobs being created in Telford, but also countless more in the supply chain across the wider Marches region.

Likewise, the Marches Investment Fund, which receives a share of the land sales under this deal, is now equipped with the funds to make regeneration and infrastructure projects (such as the transformation of the former Brintons Carpets factory) a reality.

These outputs make the lengthy negotiations which were required to secure the Land Deal all worth it and demonstrate the positive impact of partnership working.

Graham Wynn OBE, Chair, Marches Local Enterprise Partnership

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1. Summary of Achievements 2016 - 2017

1.1 Summary

The Telford Land Deal established a new model in public land disposal which through upfront investment into site preparation and marketing of sites underpinned by the Council's Enterprise Telford investment offer, has already delivered an acceleration in commercial and residential sites sold and raised land values above year one projections. The Telford Land Deal is devolution in action delivering above and beyond expectations with success underpinned by the strength of partnership between the Council and HCA and the support of the Marches LEP.

The Department of International Trade's Partnership Manager for the West Midlands stated "***Telford is currently the beating heart of foreign direct investment – It is the place to be!***"

Following a period of transition the Deal went fully operational in 2016 and to date has delivered the sale of seven commercial sites and six sites for residential properties. This has achieved a gross sale income of **£6,877,232**. The sites will deliver Employment Floor Space (EFS) of **48,191sqm** and **c.277** new homes and the commercial premises are anticipated to deliver **c.643** jobs.

The sale of five commercial sites and two residential sites are currently being finalised and are anticipated to achieve a gross sales income of **c.£17million** with EFS of **38,563sqm**, anticipated job numbers of **c.345** and **320** new homes within 2017.

Local Growth Funding via The Marches LEP has enabled C.£7.3m highway infrastructure works at Junction 4 of the M54 and Hortonwood West completed in April 2017.

The Deal alongside the Council's Enterprise Telford business pledge is driving a high number of investment enquiries and there are a number of sites now under offer with further enquiries progressing. The Borough is seeing significant interest from the automotive sector due to the proximity of Jaguar Land Rover's Engine Plant at I54 and the strength of the existing supply chain in the Borough with many resident companies expanding.

The largest deal delivered has been the c£80m inward investment by Magna Cosma a Canadian tier 1 automotive company. The company are building a 250,000sqm plant at T54 delivering 300 new jobs in phase 1 with a further 300 in future phases. The investment is understood to be the largest new overseas investment in to the UK in the last 10 years. In January Polytec another Tier 1 automotive supplier moving into Telford acquired neighbouring plots at T54 which are due to deliver c.250 jobs over

3 phases of development. Both investors were enabled through the upfront investment into site preparation, highways network improvements and utility upgrades (specifically electricity), driven by this deal and investment by the Council.

Residential site demand is also high with many of the large house builders such as Taylor Wimpy, Lovell Homes and Redrow bidding

2. BACKGROUND

2.1 Introduction

The Telford Land Deal, was formally completed on 24th March 2016, and signed by Telford & Wrekin Council (TWC) and the Homes & Communities Agency (HCA). The agreement documents the parties' intention to work together over a 10 year period from April 2015 to promote commercial and residential sites within Telford which fall within the Council and the Agency's ownership, with the Council taking the lead in site preparation in order to de-risk and accelerate delivery, and in bringing the land to the market.

There are **77** HCA sites and **11** TWC sites included within the Telford Land Deal (sites listed in Appendix 2). This deal offers the opportunity for TWC to drive economic growth and prosperity in the region by taking responsibility for the stewardship, marketing and disposal of all HCA land holdings in Telford.

The Council brings local market intelligence, a proactive approach to inward investment including a willingness to co-invest.

for sites. The majority of national house-builders together with a number of regional and local companies are represented in Telford due to an excellent pipeline of consented land. Telford has been identified as number 2 for housing growth in the 2017 Centre for Cities Report for the 3rd year running.

2.2 Context

Telford and Wrekin Council are driving forward economic growth and prosperity through Enterprise Telford which sets out a vision ***'To promote Telford's role as a major contributor to the West Midlands economy; to focus on those things that will do most to unlock jobs and create growth that will improve the lives of all the people who live in our Borough and; to make Telford a natural home for investors, innovators and entrepreneurs'***.

The Telford Land Deal supports delivery of this vision with up to £44.5m of land receipts over a 10 year period from the sale of agreed HCA assets in Telford recycled back into the local area. The investment is set to deliver 2,800 homes, 8,500 jobs and 300,000sqm of commercial floor space. The local area will also benefit from a share of land value uplift delivered where the Deal accelerates and raises land values over and above HCA profiled receipts. A proportion of this will be shared with the Marches Local Enterprise Partnership who have enabled Local Growth Funding to

support highway infrastructure to open up sites included in the Deal.

The Deal is based on a risk and reward model which will require TWC to make investment into site preparation up front, at risk, with this investment recouped from land receipts.

As part of the Deal, TWC are required to take freehold responsibility for all HCA liability sites i.e. those sites considered to have no development value and/or to incur potential costs. The Deal set out a timeframe of 12 months to enter into a detailed dialogue around the transfer of liabilities and establish an agreed payment mechanism to support revenue and potential capital implications of sites. The Funding Agreement governing the transfer was signed in March 2017 within the timescales set, with the first of two land transfer tranches also completed.

2.3 Operation

The Deal is managed through a 3 year rolling Investment & Disposal Plan which details the sites for disposal, investment requirements and estimated uplift achieved as a result. The overall Programme is dynamic and the order of land sales may change and investment required and receipts may vary with market. The 3 Year Plan provides much greater certainty and is reviewed annually by the Land Deal Board.

Appendix 1 illustrates the governance structure underpinning delivery of the deal.

2.5 Key Sites - Commercial

2.5.1 Commercial

T54 is a prominently located 78.11 acre site, 12 miles from I54 and the new Jaguar Land Rover engine plant. The site is divided into 7 plots of varying size, in an attractive landscaped setting adjacent to Stafford Park, one of Telford’s major industrial estates. T54 joins the A464 close to Junction 4 of the M54 motorway linking to the M6. Plots 1-6 are allocated as a Committed Employment site within the Local Plan. Detailed planning applications have been granted for Plots 1c, 2, 3 & 5, as part of the Deal is the strategy of de-risking sites as far as possible to market readily developable sites. Local Growth Funding has been used to deliver strategic infrastructure improvement on the M54 motorway junction 4 and will be used for utility upgrades. The Council has also borrowed to invest further into utility upgrades in order to prepare this site for tier 1 automotive supply chain which have a high electricity requirement.

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
T54 – Plot 6	Sold in 16/17	24,163	295	October 16	October 17	£80Million

A commercial site sold to Magna Cosma, a tier 1 automotive company supplying Jaguar Land Rover. They are building a new facility of 24,163sqm Employment Floor Space and will create 295 jobs.

T54 – Plot 1c	Sold in 16/17	373	10	September 17	June 18	£1Million
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Plot 1C T54 has been sold to a local company Gentech Products (Telford) Limited, who supply industrial products and services to industry and agriculture. The business has outgrown their current premises on Hortonwood in Telford. The newly constructed premises will house new offices, warehouse and trade counter premises to cater for their business growth.

T54 – Plot 2/3	Sold in 17/18	12,687	243	May 17	Phase 1 – Dec 18 Phase 2 – Dec 19 Phase 3 – Dec 20	In the region of £32Million
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A commercial site sold to Polytec Group Ltd who will develop a manufacturing facility, ancillary warehousing and office space in three phases. Polytec Group are a tier 1 supplier of Jaguar Land Rover (JLR) who are currently based in Bromyard, Herefordshire and this

will be a new facility in addition to their existing premises. They are a leading developer and manufacturer of high quality plastic parts to other car manufacturers. Projected job numbers are in the region of 243.

Related press releases can be found at Appendix 3.

<h3>Masterplan</h3> 	<h3>T54 Plot 6</h3>	
<h3>T54 Plot 1c</h3>		
<h3>T54 Plot 2/3</h3>		

HORTONWOOD WEST is a new flagship industrial site enabled by the Land Deal and Local Growth Funding. The site is divided into 10 plots ranging from 0.80 to 13.7 acres and suitable for a range of commercial premises. Work is underway to construct the internal estate roads and the access from the adjacent A442, Queensway. Outline planning consent was granted in July 2016 and the Land Deal has contributed towards highway to improvements to access the site as well as all utilities into the site and drainage.

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Hortonwood West - Plot 10	Sold in 16/17	3,156	15	May 16	July 17	In the region of £2.5Million (including tenant fit out)

Commercial site sold to Telford & Wrekin Council for the development of commercial premises to be leased to a local Telford company wishing to expand their business. The company will retain their current premises and this is an additional facility. The proposed tenant is a supplier to the food industry, supermarkets and other industries. The development extends to 3,156sqm of warehouse and ancillary office floor Space and will create an additional 15 jobs.

Hortonwood West – Plot 9	Sold in 16/17	6,262	60	February 17	October 17	In the region of £5Million
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The site has been purchased by Telford and Wrekin Council and is adjacent to Plot 10 above. The tenant is Rosewood Pet Products Limited who are suppliers of supermarkets and pet shops. The development will comprise of a warehouse and ancillary offices extending to 6262m2 with car parking. The incoming tenant is new to Telford and is re-locating here due to expansion of the business. It is anticipated that 60 jobs will be created as a result of the expansion.

Hortonwood West - Plot 3, 4 & 5	In progress	5,400 Phase 1 22,580 Phase 2	70	April 18	Phase 1 – Dec 18 Phase 2 – 20/21	In the region of £5Million (estimated)
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A sale has been approved for the disposal of plots 3, 4 and 5 which extends to 27,980sqm to Craemer UK Limited who will develop a manufacturing facility, ancillary warehousing and office space. Craemer UK Ltd are an existing successful business on Hortonwood manufacturing wheelie bins and wish to purchase an additional site in Telford to extend their manufacturing business. They supply local authorities and the public sector. Projected job numbers are initially in the region of 70, with further expansion likely.

Masterplan



Hortonwood West – Plot 10



Hortonwood West - Plot 9



Hortonwood West – Plot 3, 4 & 5



HALESFIELD

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Halesfield 24 - Plot 2	Sold in 16/17	900	5	March 17	September 17	In the region of £1Million

Commercial site sold to Wrekin Pneumatics, an existing Telford company wishing to expand. They supply locally to businesses and domestic customers providing machinery repair services and compressors. The new facility extends to 900sqm of Employment Floor Space and will create 5 full time jobs. Completion of the site is due September 2017.

Halesfield 25 – Plot A	Sold in 16/17	650	15	October 17	April 18	£1Million
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Commercial site sold to Travis Perkins Properties Ltd to construct a brand new Keyline facility supplying specialist contractors and trade professionals. The site extends to 650sqm of Employment Floor Space and will create 15 new full time jobs. Start on site is due October 2017 with a completion date of April 2018.

Halesfield 24 – Plot 2



Halesfield 25 - Plot A



Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Site 2 East Donnington Campus	In progress	2,323	10	September 17	19/20	£1.6Million

A sale has been agreed with a local business to facilitate expansion of their current premises, to create an additional storage and warehouse distribution centre of 2323sqm together with storage of HGV vehicles. This will secure current jobs and forecast of a further 10.

Hadley Park B	In progress	2,463	155	December 17	May 19	£6.5Million
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A sale has been approved for the disposal of Hadley Park Plot B for a mixed use development comprising 24 hour Petrol Filling Station, 418sqm ancillary retail unit, drive through coffee shop 186sqm and approximately 1859sqm trade counter / light industrial units.

Site 2 East Donnington Campus



Hadley Park B



Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Hadley Park E	In progress	5,000	50	March 18	March 19	In the region of £4Million

A sale has been agreed to provide in the region of 5000sqm of trade counter floor space on Hadley Park E. Discussions as to the development, design and programme are ongoing and the anticipated start on site date is March 2018. Projected job numbers are in the region of 50.

Rampart Way	In progress	797	60	November 17	November 18	£2.6Million
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A site disposal has been agreed at Rampart Way which will see the development of two drive through restaurants and a coffee shop. The development will be 797sqm and will create an additional 60 jobs.

Hadley Park E



Rampart Way



2.5.2 Residential

Scheme	Status	Housing Units	Start on site	Site Completions	Estimated Private Sector Investment
Wellington Road	Sold in 15/16	Circa 40	Anticipated – September 2019	Anticipated – Late 2020	£4.2Million

Residential site sold to Central and Country Developments Ltd. The developer has submitted flood risk assessments to the Environment Agency and are awaiting a response. They are aiming to submit a planning application early 2018 and have estimated housing numbers to be circa 40 units.

Frome Way	Sold in 15/16	79	April 16	August 17	£8.2Million
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Residential site sold to Keepmoat. The developer started on site in April 2016 and had completed 67 units by the end of May 2017. The remaining 12 units are to be completed by August 2017.

Wellington Road



Frome Way



Scheme	Status	Housing Units	Start on Site	Site Completions	Estimated Private Sector Investment
The Beeches	Sold in 16/17	89	January 18	Spring 2021	£9.3Million

Residential site sold to Shropshire Homes Limited. This is a complex site involving refurbishment of historical buildings and enabling housing development. There has been no site preparation as yet but the anticipated start on site date is December 2017 with a completion date of spring 2021.

Priorslee East D3	Sold in 16/17	25	October 17	November 18	£2.6Million
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Residential site sold to Central and Country Developments Limited. Further highway assessment was undertaken through the planning process with a S106 being negotiated for the implementation of traffic calming measures. Start on site is due October 2017 with completion programmed for November 2018.

The Beeches



Priorslee East D3



Scheme	Status	Housing Units	Start on site	Site Completions	Estimated Private Sector Investment
Woodlands Farm Buildings	Sold in 16/17	4	December 17	September 18	£416,000

Residential site sold to Hama Homes Limited. The development is currently under review and the developer is to submit a planning application for a revised scheme.

Land at Daisy Bank	Sold in 16/17	Circa 40	February 2017	18/19	£4.2Million
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Residential site sold to Lioncourt Homes. The developer has started site preparation and is currently discharging planning conditions. Detailed consent was approved in November 2016.

Land at Daisy Bank



APLEY is a greenfield residential development site of 18.21 acres (7.37 hectares), 5 miles to the north of Telford town centre. The site is in an attractive landscape setting adjoining Apley Castle woods and has an outline residential planning consent for 100 units. The Land Deal is contributing towards highway costs to improve the road network leading to the site and on site infrastructure.

Scheme	Status	Housing Units	Start on site	Site Completions	Estimated Private Sector Investment
Apley	In progress	100	July 2017	January 2018 onwards	Circa £29Million

A sale has been agreed to Kier Ltd for a 100 unit residential development on a 7.37 hectare site to the North of Telford. The developer achieved reserved matters planning consent in March 17 and is anticipating site on start in July 2017 with completions due 2020. Development will include an upgrade to supporting highway infrastructure and the enhancement of recreational facilities.

Priorslee E&F	In progress	220	November 2017	September 2023	£45Million
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A sale has been agreed for a 220 unit residential development on a 7.92 hectare site in Priorslee, to the East of Telford. The developer is currently undertaking final ground survey works and working to obtaining a reserved matters planning consent to enable work on site to start in November 2017. Proposals also include the delivery of public open space and local play facilities.

Apley



Priorslee E&F



3. Key Deliverables/Milestones planned for 17/18

Newport Innovation Park

The Land Deal is supporting the delivery of a privately owned 10 ha site being promoted through the Local Plan for a major, new employment site. The allocated site is in Newport and will provide space for a range of potential occupiers including start-ups, smaller businesses and larger occupiers. The masterplanning is supported by the nearby Harper Adams University and their Agric-Tech Centre of Excellence industry partnership.



Hortonwood Sites

Hortonwood is a well-established large industrial estate located in the north of Telford and has a variety of occupiers ranging from smaller local companies eg, Baker Bellfield, to large foreign direct investments eg, Craemer UK Limited. There are a number of plots at the western end of the estate and work is underway to bring these forward to the market. In order to accelerate the sale of the sites and to overcome ecological issues the Council is proposing to

submit detailed planning applications for the sites which will allow a new mitigation licence to be applied for and the necessary ecological work carried out.

Investment is also planned into the strategic and local electricity infrastructure to target investment manufacturing and distribution businesses.

The sites range from c.5 acres to c.23 acres, giving flexibility for incoming occupiers from smaller businesses to large multinationals.

Detailed development briefs are being prepared with a view to commencing Marketing on the site in 2017. Ecological and traffic surveys are currently being undertaken.

Shawbirch East Campus

This site comprises one single land parcel and is a designated employment site with a prominent position fronting the A442 arterial road North West of Telford. The site area is 22.16 ha (55 acres) and is currently undeveloped farmland, tenanted for arable agricultural use.

This site has not been actively promoted to date as it has been earmarked for a single large inward investor. However with the recent sale of T54 Plot 6 and Plot 2, approval to the sale of Plot 11b & 11d Hortonwood demand for large employment sites remains strong. It is therefore proposed to accelerate marketing for this site.

This approach will enable the Council to respond to any early interest whilst also seeking to maximise the rate of development demand on all the commercial sites already coming forward within the Deal.

Land adjacent BRJ, Wellington Road and Snedshill

Approval has been given for a direct sale to Nuplace Limited (a wholly owned company of Telford & Wrekin Council) to deliver much needed private rented housing in Telford. Survey and masterplanning work is being accelerated to support the early release of these sites with planning applications targeted for May/June 2017 subject to the outcome of ecology surveys.

Horton Lane

Horton Lane is a peripheral residential area on the northern fringe of Telford. Currently undergrazing licences, the small sites are suitable for infill residential plots, aimed at meeting demand from the SME and self-builder market. The Council will be submitting outline planning applications for 12 residential dwellings, to be marketed following receipt of planning.

Other Residential Sites

Work is now commencing on five other residential sites to bring forward suitable planning applications.

Appendix 2 provides a full list of sites.

4. Finance

The Deal is managed through a 3 year rolling investment and disposal plan, which is subject to regular reviews at the Land Deal Board. The table below demonstrates the net uplift and respective shares for the 2 years ended 31 March 2017, and the forecast for the first five years of the Deal. As set out in the Agreement, the first £2m of the TWC local profit share is set to be set aside to fund liability and constrained sites identified within the Deal, before the remaining share is retained by TWC for investment locally. Fifteen percent of the locally retained profit share is made available to The Marches LEP to invest via The Marches Investment Fund.

£	2 year Actual 31 March 2017 (..) – shows an income	5 year forecast 31 March 2020 (..) – shows an income
Gross land receipts	(7,715,562)	(40,921,316)
Net land receipts	(2,529,209)	(15,574,900)
Total costs to be funded from land receipts	1,783,774	9,994,239
Net uplift	(745,435)	(5,580,661)
HCA share @15%	(111,815)	(837,099)
TWC share @85%	(633,620)	(4,743,562)

5. Investments

5.1 Investment of Local Profit Share

In order to fulfil the Government's requirement to prove value for money from the investment of profit share and to show how local investment will deliver further growth, a priority list of investment is being prepared to come forward for consideration by the Telford Land Deal Board in the early part of 17/18. This will include investments to be made by Telford & Wrekin and the Marches Local Enterprise Partnership (who have a 15% share of the locally retained profit share).

The focus of the profit share will be to support the delivery of new homes and employment.

6. Communications and Marketing

A Strategic and Local Communication, Marketing and Engagement plan overseen by the TLD Board, underpins the range of activities being undertaken. The plan timetables planned press releases, events e.g. attendance by Enterprise Telford (the Council's Inward Investment campaign) at Automechanica and other specific visits (e.g. familiarisation visits by UKTI/DiT) and website activity. . The plan has both a local focus – recognising the need to engage with local communities within which sites are coming forward and outward facing to attract investor interest. The Plan includes activity lead by the Authority and the Marches Local Enterprise Partnership and Telford Business Board.

A partnership approach has been adopted to communications with all messages.

Underpinned by 3 key aspects:

- Delivering a consistent approach to all external communications
- Engaging effectively with appropriate audiences
- Raising the profile of the Land Deal and its impact on the Borough, Marches and West Midlands economy, on a local, regional and national level

A couple of recent press releases linked with major commercial investments are included at Appendix 3.

A focus for 17/18 is on using the success stories from the first year to promote the Borough's investment offer on a broader regional and national platform.

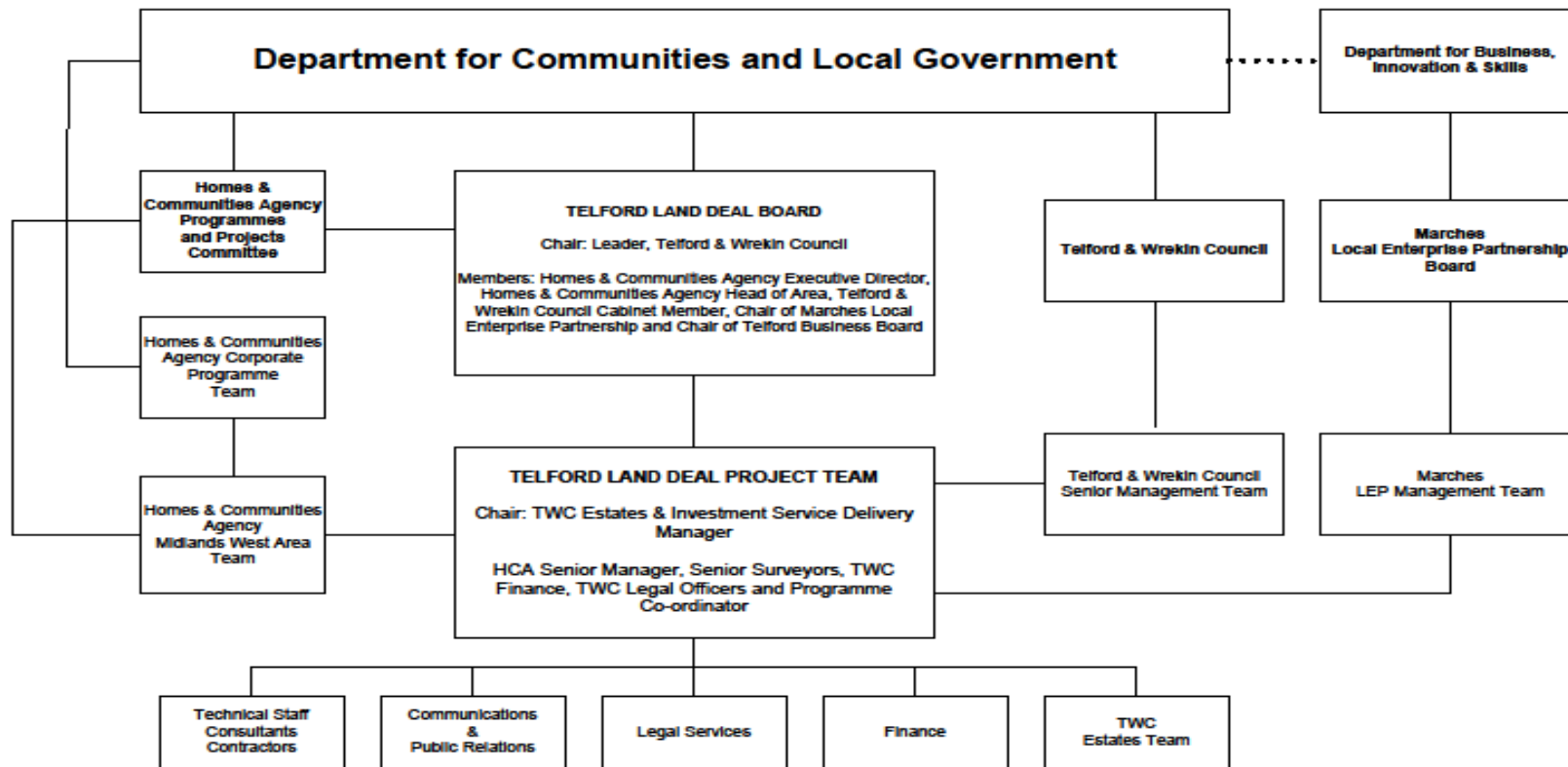
7. Lessons Learnt/Challenges

Reflecting a national issue, Telford's success in attracting inward investment has been challenged by the need for upgrades to utility infrastructure.

The capacity of the electricity network in the north of Telford is restricting the sale of some plots, particularly for high power users including advanced manufacturing and automotive. The network is at capacity and therefore investment is required to increase capacity and secure sales of the sites. Discussions have been on going with Western Power and capacity can be increased by expenditure on the network, however this is proving to be a significant cost to the land deal. If this cost could be funded via government infrastructure funding further acceleration and investments into the sites could be made.

Appendix 1: Governance Model

Telford Land Deal – Governance



Appendix 2 – Schedule of Sites

HCA site	Site ref. no.	PCS ref.	Parcel ref.	Status
Apley B1 (ii)	1211	19806	12348	In progress
Apley B3	1212	19806	5825	In progress
Hortonwood (Shawbrich East Campus Site)	1303	21800	1527	
Wellington (Adj Blessed Robert Johnson School Phase 1)	1210	19339	1417	
Wappenshall	1326	21964	1548	
Wappenshall	1327	21964	1549	
Wappenshall	1328	21964	1550	
Wheat Leasows – 10 Plots	1325	21963	1547 10781 12698 12887 12888	Plots 9 and 10 – sold Plots 3,4,5 – In progress Plot 6 – In progress
Hortonwood North Residual – 2 plots	1329	21961	1551 13111	
Land & Buildings Adj Horton Farm	1330	21961	1552	
Land off Horton Lane	1340	21961	1557	
Donnington Wood (K) (constrained site)	1220	20219	1430	
Donnington Wood Way (constrained site)	1332	20219	1553	Site transferred to TWC
Land North of Granville Road (Donnington Wood) (constrained site)	1287	20219	1502 12913	
Priorslee East - Phase 1	1228	19629	11429	In progress
Priorslee East F	1229	19629	6091	In progress

Land Snedshill / Church Road	1224	28463	1434	
Land – Priorslee Road	1225	24497	1436	
Priorslee Road (Phase 2)	1226	24497	1436	
Old Park Campus Site (constrained site)	1277	24497	1436	
Old Park Phase 1 and 2 (constrained site)	1233	28462	1445	
Lawley Extension	1243	21334	1458	
Lawley Extension	1244	21334	1459	
Lawley Extension	1382	21334	1460	
Lawley Village Residential Site (Non Strategic Project)	1382	21334	1591 1592	
T54 – Plot 2	1284	22479	1499	Sold
Sub Station Nedge	1198	20526	1406	Sold
T54 – Plot 3	1399	22480	1604	
T54 – Plot 5	1401	22482	1606	
T54 – Plot 6		22483		Sold
	1285	26764	1473	
T54 – Plot 7	1348	22484	1565	
Nedge Buildings (The Hem)	1182	22485	1393	
Land Around Nedge Buildings (The Hem)	1257	1257	2952	
The Hem Phase 4 (The Hem)	1263	21775	2954	
The Hem Phase 3 (The Hem)	1260	21775	1476	
Open Space – Nedge Housing (The Hem)	1320	21775	1542	
The Hem Phase 2 (The Hem)	1261	21775	1477	
Halesfield 24 – Plot 2	1266	21777	1483	Sold

Halesfield 23 – Plot 3	1267	21779	1484	Sold
Halesfield 25 – Plot 6	1265	21776	11576	Sold
Halesfield 18	1269	21319	1485	
Plots – Moor Farm, Majestic Way	1256	16153	1472	
Lightmoor Road	1272	16153	1487	
Town Centre Hall Court Car Park	1280	24497	1495	Sold
Rough Park 3	1264	16153	1480	
The Beeches	1964	20464	2095	Sold
South West Old Park Mound (Specified Site)	1279	24497	1497	
Plot 12 Hortonwood	1292	21790	1509	
Plot 6 Hortonwood	1294	26707	1511	
Plot 1 Hortonwood 65 (Specified Site)	1295	21793	1512	
Plot b, d and remainder of e Hortonwood – 3 plots	1297	21795	10669 10678 6056	
Site C Pool Hill Road	1378	28464 21757	1587	
Site D Pool Hill Road	1379	28464 24982	1588	
Plot – Rock Road	1234	22347	1446	
Hadley Park B	1299	21797	5989	In progress
Hadley Park A	1298	21797	5809	Sold
Hadley Park E	1301	21804	6014	In progress
Site 2 Donnington Campus	1289	22224	6115	In progress
Croppings Farm House	1180		1391	

Land at Wellington Road	1195	19807	6061	Sold
Land at Wellington Road	1215	19807	6061	Sold
Land at Daisy Bank	1221	21043	5876	Sold
Rampart Way	1281	24497	1496	In progress
T54 – Plot 1c	1283	22478	1498	Sold
Hortonwood 37	1290	21789	1505	
Priorslee East D3	1376	19794	1586	Sold
Donnington H Phase / Froome Way	1385	21796	1594	Sold
Woodlands Farm Buildings	1398	24201	6138	Sold
<u>TWC Sites</u>	<u>Site Ref</u>	<u>Status</u>		
Charlton Site	A0422			
Plot 2 Telford Rail Freight	A1133			
Plot 1 Telford Rail Freight	A0908			
The Sutherland School	A0126			
Wrockwardine Wood Arts Academy	A0125	Sold		
Ercall Wood Technology College	A0421	Sold		
Phase 2 Dawley	A0084			
Phoenix Academy	A0151			
Grange Park Primary School	A0090			
Lakeside Academy	A0105			
Newport Innovation Site	A1111			

Appendix 3 – Press releases

T54 – Plot 6 Sale to Magna

Council welcomes Magna International announcement

Published 25 May 16



Telford & Wrekin Council today welcomed the announcement that Magna International Inc plans to build a new world class aluminium casting facility at T54

Councillor Shaun Davies, Telford & Wrekin Council's cabinet member for Business, hailed the announcement as an "extremely significant" day for the borough of Telford and Wrekin.

"I am delighted that Magna International has decided to locate its new multi-million pound facility here in Telford," said Councillor Davies.

"This signals the dawn of a bright new era of opportunity for everyone in the borough. In Telford, we pride ourselves on being inventive and dynamic and the details of the high tech production process Magna has announced for its planned facility shows that they are a perfect fit for us.

"We have been talking to Magna International for more than two years and an awful lot of hard work has gone on behind the scenes to make this possible so today is a realisation of all those discussions.

"I would like to thank everyone at the Council who has been involved in those negotiations – from the first contact at a national conference through to the conclusion of the deal in the last few weeks.

“This has been made possible as a result of the land deal that we announced in March with the Homes and Communities Agency and the Marches Local Enterprise Partnership, which will see us deliver 8500 new jobs through investing in bringing sites like T54 to the market.

“Magna’s announcement today represents a hugely significant multi-million pound investment which demonstrates that Telford & Wrekin Council’s drive to attract new business and jobs is realising spectacular results. “This major development will see the creation of 295 skilled local jobs when the plant is at full capacity. The investment will also support many more jobs in the local supply chain.

“It also demonstrates the value of our strengthening links with the West Midlands and its worldwide reputation for advanced manufacturing. With the T54 site just 12 miles from Jaguar Land

Rover’s i54 complex, we are seeing significant levels and enquiries and we are confident more market leaders from the automotive supplies sector will be investing in Telford.

“Magna’s proposed world class aluminium casting facility in Telford will be the largest automotive development in the West Midlands after the Jaguar Land Rover complex at the i54 site. We confidently expect that this will prove a gateway for further investment in the T54 site, which is already home to XYZ Automation and Filtermist International.

“Subject to receiving planning permission, we expect that construction on the new facility will begin in the autumn of this year. Magna has said production will begin in 2018.”

T54 is Telford and Wrekin's flagship automotive and advanced manufacturing employment site.

T54 – Plot 2 - Polytec

Automotive parts supplier Polytec to establish new UK base in Telford

Published 13 Jan 17

Telford & Wrekin Council and the HCA are delighted to announce that automotive parts supplier Polytec Group is to build an additional manufacturing site at the T54 technology park.



The new facility will be constructed over three phases. The first phase will create as many as 100 jobs at Plots Two and Three of T54 at Junction 4 of the M54.

It is a direct result of the Land Deal between the Homes and Communities Agency and Telford & Wrekin Council, secured as part of the Marches Local Enterprise Partnership's Growth Deal.

The Austrian firm is a leading developer and manufacturer of high quality plastic parts, a full service provider in the field of injection moulding and a specialist in fibre-reinforced plastics supply.

Their UK base is currently at Bromyard in Herefordshire. However Polytec have won several major new contracts with a number of vehicle manufacturers which they cannot service from their current facility.

Polytec's plans incorporate three stages of development starting with the new paint plant and assembly hall then progressing to manufacturing facility and finally an additional assembly hall. Detailed planning permission for the site has already been submitted.

Councillor Shaun Davies, Telford & Wrekin Council leader, said: "This is fantastic news for the borough and is another victory for our business winning and business supporting approach.

“The investment into strategic improvements both through our £50m Growth fund and Marches Local Enterprise Partnership (LEP) funding has been critical in enabling this development to come forward.”

“This builds on last year’s announcement of Magna International’s plans to build their aluminium casting facility at T54.

“I confidently expect that there will be more positive news for Telford as a result of the Land Deal with the Homes and Communities Agency in the coming months.”

Karl Tupling, the HCA’s General Manager for the Midlands, said: “The Telford Land Deal offers Telford & Wrekin Council the opportunity to take responsibility for the marketing and disposal of remaining HCA land holdings.

“Alongside our recent land sale to Magna Cosma Castings, Polytec’s proposed investment has the potential to bring significant

jobs to Telford and fits squarely with the local strategy to encourage automotive supply chain growth.

“New skilled jobs means increased demand for housing and the HCA is also working closely with Telford & Wrekin Council to develop significant housing through schemes such as Lawley and Lightmoor.”

A spokesman for Polytec said: “We are very excited about this investment as it will allow us to both increase our capacity and introduce the latest technologies specifically in the painting process.”

The land deal will see a percentage of receipts generated from the sale of HCA land in Telford go to the Marches LEP’s new Marches Investment Fund – which will support growth projects in Herefordshire, Shropshire and Telford & Wrekin.

Appendix 4 – Quotes from Investors

"This Telford project will bring the most advanced structural casting technologies to the UK."
President of Cosma International (Magna)

"Because of the Council's business support service I decided to expand and stay in Telford rather than relocate to Birmingham....a great choice"
Managing Director, Asteria Global Ltd

"Telford is currently the beating heart of foreign direct investment!".....DIT Partnership Manager West Midlands

We are relocating in Telford in larger premises which is really exciting....through a streamlined range of business support services this has been a really smooth process"
Managing Director, Edmond Food

"Telford has proved to be the ideal location for our business; we were able to secure our premises with room for a 50,000 sq ft warehouse extension. The "Enterprise Telford" team provided valuable advice on funding, skills . . . together with professional architect services (BIT)"
Managing Director Moneta Packaging



Driving growth **and prosperity**

"The scale of housing delivery in Telford & Wrekin positions the town as the 2nd highest nationally"
Centre for Cities 2016

"We had been looking for some time at opportunities for a new hotel in Telford Town Centre. The ability to work with the pro-active commercially focused Telford Council gave us the opportunity we wanted and the comfort that it will be delivered".
Andrew Silverwood – Development Manager of Travelodge

" Our new Telford headquarters signals the start of an important new chapter in Filtermist's history by ensuring we are capable of meeting growing global demand"
Managing Director, Filtermist

"The Enterprise Telford Team offered a design and build service on a 1.4 acre site in Hadley Park East. This sitehas now been designed and built to Staubli's exact specifications".
General Manager, Staubli UK

TELFORD & WREKIN COUNCIL

CABINET 13 JULY 2017

£50m GROWTH FUND UPDATE

REPORT OF ASSISTANT DIRECTOR: BUSINESS, DEVELOPMENT & EMPLOYMENT

REPORT OF LEAD CABINET MEMBER - CLLR LEE CARTER

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 In May 2016, the Council launched its strategy for economic development; 'Enterprise Telford: Driving Growth and Prosperity'. The strategy sets out how we will support existing businesses to grow and how we will compete nationally and internationally to attract inward investment delivering jobs, supporting local communities and generating income for the Council to invest into frontline services. The Strategy's success underpins the Council's commitment to 'creating a better Borough' delivering new jobs, homes and infrastructure across our communities, providing opportunities for local supply chain and construction companies and creating a revenue return to invest into front line services.
- 1.2 As part of Enterprise Telford the Council has established a £50 million Growth Fund which is being used to invest directly into land, property and strategic infrastructure enabling local businesses to expand and drawing in new investors and delivering a revenue return to the Authority to invest into front line services. To date over **£29m has been invested which is supporting the generation of c.1000 new jobs and set to safeguard a further 400.** The investment will also deliver an **ongoing net return after borrowing of £1m of which some £750k is linked to long term lettings of between 8 and 15 years.** This report provides an update on some of the investments made to date.
- 1.3 The report also seeks approval to offer asset management services to other organisations looking to invest capital into property providing an additional income stream to the Authority and further supporting the delivery of new jobs in the Borough.

2. RECOMMENDATIONS

That Members: -

- a) **Note the outcomes of the Growth Fund investments to date and approve the amended scope of investments to be made through the Growth Fund as set out in this report.**

- b) Delegate authority to the Assistant Director: Business, Development & Employment, to negotiate and enter into all necessary agreements with other organisations looking to invest in property.
- c) Delegate authority to the Assistant Director: Governance, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	YES	Protect and create jobs as part of a business winning and business supporting Council.
	Will the proposals impact on specific groups of people?	
	YES	The proposals will support existing businesses and potential investors to invest and expand in Telford, creating growth and jobs across the Borough.
TARGET COMPLETION /DELIVERY DATE	The Enterprise Telford campaign is on-going.	
FINANCIAL/ VALUE FOR MONEY IMPACT	YES	Full Council approved the establishment of a £20m Growth Fund and the associated prudential borrowing in November 2015 before Full Council approved the increase in the Growth Fund to £50m in November 2016. The Property Investment Portfolio (PIP) generates revenue income of in excess of £5m for the Council which supports a range of Council services. Currently investments totalling £29.4m have been approved against the approved fund of £50m. The investments approved deliver on-going income from rental streams and retained business rates which supports the Council's budget and contributes to the delivery of savings. The asset management of commercial properties on behalf of other public and charitable organisations will generate further income through fee generation. Any services provided to a third party must not constitute financial advice. However, the Council, through the PIP, may make a separate decision to invest in a property that a third party has also decided to invest in. Financial advice will be given as appropriate to this decision. DR 17/5/17
LEGAL ISSUES	Yes	The Council will operate a strategy which will be compliant with Council Constitutional standards of decision- making. It will ensure that all legal mechanisms implemented and used will do so in a manner which takes due regard of the financial framework of the strategy with particular regard to

		<p>financial probity, stringent financial planning and financial risk management. In addition, where necessary the appropriate regulatory requirements will be observed particularly with regard to the Equalities Act (consultations and impact assessments where appropriate) and the requirements of the Public Contracts Regulations 2015.</p> <p>In view of the State Aid Rules and their potential impact on public sector projects the Council will be vigilant in relation to the grant of aid to commercial entities which may impact its pledges, support package coordination and delivery to third parties. In respect of the asset management of commercial properties on behalf of other public and charitable organisations, these activities must be limited to asset management activities and must not constitute financial services.</p> <p>JH 17/5/17</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>The risks associated with each individual investment are considered as part of the business case approved as part of the delegated decision making. Where speculative industrial unit development is proposed the level of risk associated with void periods increases even where you have a strong market. To minimise exposure a cap on revenue liability from speculative new build investments has been included as set out in section 4.8 below.</p> <p>The development of additional units for the market and an ability to support those wishing to invest in commercial property individually or alongside the Council supports growth in new premises and jobs.</p>
IMPACT ON SPECIFIC WARDS	NO	<p>The benefits of the projects will be Borough wide with the Growth Fund alongside the Enterprise Telford approach and Pledge encouraging business growth and investment across the Borough.</p>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

BACKGROUND

Growth Fund

- 4.1 The Council is committed to creating new investment and opportunities across all our communities and the success of Enterprise Telford and the £50m Growth Fund is delivering new jobs, homes, utility infrastructure, supporting the growth of existing companies supplying new investors and in construction and providing a revenue return to the Council to invest into front line services.

- 4.2 The Council's property investment portfolio (PIP) makes an important contribution to the Council's revenue budget, generating a consistent income stream in excess of £5m per annum to support front line services.
- 4.3 In November 2015 the Council launched a £20m Growth Fund to capitalise on investment demand enabling the Council to acquire land and property, build bespoke premises, invest in strategic infrastructure, and strengthen and diversify the Council's Property Investment Portfolio. Given the strength of demand and return on initial investment The Fund was increased to £50m in November 2016.
- 4.4 The Growth Fund enables the Council's Estates and Investment team to react quickly to investment opportunities that come to the market and supports the growth of the property portfolio bringing additional essential income into the Council to support service delivery and providing a major attraction to investors looking for leasehold property. This unique Council approach and willingness to invest in acquiring land, property or infrastructure is enhanced by our ability to deliver design, build, and ongoing building management and business support.
- 4.5 In less than 18 months £29.3m has been committed into a range of investments which are anticipated to help deliver 1000 new jobs and safeguard a further 400 jobs. These initial investments are forecast to generate an average ongoing gross return on investment, including additional retained business rates income of 7.7%, (3.7% net of borrowing costs, at an assumed rate of 4%). Through the investment of the full £50m the Council is set to generate over £3m in additional gross income, assuming a 6% return on the unallocated capital, (£1m net of borrowing). The investment is also delivering growth in business rates income.
- 4.6 The Growth Fund alongside the Telford Land Deal and wider Enterprise Telford offer has been instrumental in the delivery of a number of major investments and is continuing to attract interest locally and regionally. High profile investments include Magna International's multi million pound investment into T54 (featured in the Telford Land Deal Report to Cabinet), which has put Telford on the investment map for major automotive investors and is set to act as a major stimulus to the local supply chain. The Council has also acquired the Audley Avenue Industrial Park in Newport – which will safeguard the future of 13 businesses and more than 160 jobs. Other investments set to deliver a significant return include Travelodge in the Town Centre and we have recently completed the acquisition of an existing property investment at Halesfield 25



Unit at Halesfield 25

- 4.7 In addition to the revenue return from investment a number of the developments have delivered further revenue through fee income to biT and planning, reflecting the attraction to companies of the Authority being able to provide turnkey solutions tailored to investors needs supported by a streamlined planning service.
- 4.8 The demand for investment remains strong and a number of opportunities are currently being explored anticipated to include providing start up and incubation units for which there is high demand in the borough.

Asset Management of commercial assets for third parties

- 4.9 The Councils Estates & Investments team currently manage a number of commercial assets for Seven Gorge Countryside Trust (SGCT). This is an historic agreement between the parties and Commission for New Towns (now HCA) under which the Council hold in trust assets and manage them on behalf of the SGCT. The income generated after the deduction of a management fee is used by SGCT to support the ongoing management of the land for which they are responsible.
- 4.10 As part of developing the Council's commercial activity the service is looking at opportunities to manage third parties commercial premises, undertaking all day to day activities including management, lease renewal, rent reviews, rent collection etc. Such operations could also provide opportunities for further Council services to be 'sold in' e.g. in facilities management.
- 4.11 Aware of the Council's proactive and successful approach to property investment another large regional charity has approached the Council to support them to invest a proportion of their capital reserves into commercial property. This offers the opportunity for co-investment, with income split on a pro rate basis based on level of

investment, spreading risk, or investment made specifically for the charity with income generated for the Authority through a management fee. In both instances where investment is made in the Borough this extends the opportunity for supporting further business expansion or new investors to land and new job creation. Delegated authority is sought to enable this activity which could include supporting a range of organisations including Town and Parish Councils.

Scope of Investments to be made through Growth Fund

4.12 There is a significant shortage of industrial units across the Borough and as such requirements cannot be met and there is a risk that investments will therefore be lost. It is therefore proposed that the scope of investment of the Growth Fund is widened to bring forward speculative industrial development to meet this current significant shortfall. Specific examples of such developments include proposals for starter/incubation units which are currently being investigated at Hortonwood West and Newport (as part of the proposed new Innovation Park).



Proposed starter/incubation scheme at Hortonwood West



Proposed Starter/incubation scheme at Newport

In order to minimise risk in the construction of speculative industrial units a cap on the level of revenue liability from new build investments is set at £250,000 per annum. Therefore before a new development can be taken forward units that have already been built out would need to be let to a level that the cumulative impact did not go above this cap.

- 4.13 As part of the drive to continue to support the Borough Towns there are also opportunities to utilise the Growth fund to support the acquisition and/or re-development of mixed use buildings. Such investment could include improvements to ground floor commercial units and redevelopment of upper floors to create new/improved commercial or residential units. Approval is sought to extend the application of the Growth Fund to enable mixed use investments to be considered.
- 4.14 As with all Growth Fund projects the individual investment will be subject to a business case and approval by the Assistant Director for Business, Development and Employment, Assistant Director in consultation with the Assistant Director for Finance and Human Resources and the Lead Cabinet Member for Council Finance, Commercial Services and Economic Development.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

None

6 PREVIOUS MINUTES

Cabinet 27 March 2014 – The Telford Deal for Business

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

Council 24 November 2016 – Driving Growth and Prosperity

**Report prepared by James Dunn, Estates & Investments Service Delivery Manager.
Telephone Numbers 01952 384331**

TELFORD & WREKIN COUNCIL

CABINET - 13 JULY 2017

INVESTING IN TELFORD AT 50

REPORT OF MANAGING DIRECTOR

LEAD CABINET MEMBER – CLLR SHAUN DAVIES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The Council remains committed to the vision of Telford as the Place of Enterprise, Innovation and Partnership, and driving growth in the Borough is key to this vision. The Pride in Your Community Programme was established in 2014 to ensure investment was made in the Borough's infrastructure and within our local communities. The Pride programme comprises of a number of key strands including investment in the physical infrastructure in the Borough, investment in high streets and local centres and in the community. **In March 2017 Council agreed to invest a further £2m into the Pride in Your Community Programme.** This is made up of £1m of capital and £1m of revenue funding.
- 1.2 In 2018 we will commemorate Telford's 50th birthday, which is a significant milestone in the development of the town. It is proposed that the £2m community pride themed funding will be invested in creating a legacy for Telford that both celebrates the Borough's history and also helps to support the future growth of the Borough. It is proposed that the funding is divided into two themes, **£1m for a 'legacy' fund including £50,000 being made available to support community organisations to celebrate Telford at 50. The other £1m will be invested in projects that support the delivery of the Council's existing priorities, help to build resilient and strong communities and to reduce demand upon public sector services.** This fund will help Telford to achieve the aspirations of our communities as set out within the Council's priorities. Community consultation will be held during the summer of 2017 to seek views on what the focus of the legacy fund should be.
- 1.3 The Council is committed to continue to work with partners such as our Town and Parish Councils, Voluntary and Community Organisations and local communities to ensure that we achieve the best that we can for the residents of Telford. The Council continues to operate within a challenging financial climate and we will work with our partners to find new ways of delivering services. 'Being the Change' outlines the need for us to build community capacity to improve outcomes for our residents and to reduce the demand on public services. The Community Participation Team has a key role to play in supporting community capacity building in the Borough. We recognise that investment is required to build the capacity of organisations and our communities, therefore a capacity building fund of £695,000

was also agreed by Council in March 2017 as part of our 2016/17 to 2019/20 financial strategy. It is proposed that this fund will be used to invest in community capacity building, to support a number of key priorities for the Council such as volunteering, supporting the development of organisations that can contribute towards reducing the demand on Council services and deliver our priorities. This will be a flexible fund which will support the costs of DBS checks, training for groups such as voluntary youth groups and will enable the allocation of small grants to groups that are aiming to work in partnership with the Council.

2. RECOMMENDATIONS

- 2.1.1 That Cabinet agree that the 'Telford Pride @ 50 Fund' of £2m is implemented as set out within this report, comprising of a £1m 'legacy fund' with consultation on the themes for the fund being carried out between July and September 2017.
- 2.1.2 That £50,000 of the 'legacy fund' is allocated to organisations to support the delivery of a programme of community led 50th Birthday celebrations.
- 2.2 That £1m of the 'Telford Pride @ 50 Fund' is used to support projects and schemes that deliver the Council's priorities, strengthen our communities and reduce demand on Council services.
- 2.3 That delegated authority is given to the Managing Director, in consultation with the Leader of the Council to implement the 'Telford Pride @ 50 Fund', to allocate funding in line with the themes identified for the legacy fund and to support the delivery of Council priorities.
- 2.4 That Cabinet agrees that a Community Capacity Building Fund of £695,000 is implemented as outlined in this report, and that delegated authority for the allocation of this fund is given to the Community Participation Team Service Delivery Manager in consultation with the Cabinet Member Customer Services, Tourism and Partnerships.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	This report supports the delivery of all of the Co-operative Council priority objectives
	Will the proposals impact on specific groups of people?	
	Yes	The proposals have the potential to have a positive impact on the all residents within the Borough.
TARGET COMPLETION/DELIVERY DATE	Community consultation on the 'legacy themes' and priorities for funding to commence July 2017 to September 2017. Process of 'expressions of interest' to commence in January 2018.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>The Council's Service and Financial Planning Strategy 2017/18 to 2019/20 includes £2m capital allocation for the Community Pride Fund, and £695,000 revenue allocation for the Community Capacity Building Fund.</p> <p>Finance will support the Service Delivery Team as funding allocations are determined and advise on assessments and their terms as appropriate.</p> <p>DR 14/06/17</p>
LEGAL ISSUES	Yes	<p>The Council has a number of powers available which enables it to carry out the recommendations contained in this report.</p> <p>As any decision made by the Authority can be subject to challenge in respect of its reasonableness or lawfulness it will be necessary to ensure that a robust and transparent assessment procedure is developed. This will assist in avoiding a challenge of either the process or decisions made in considering any applications made.</p> <p>Although any grants awarded are unlikely to trigger State Aid issues due to being too low value or because of the nature of them not meeting the relevant criteria it is important the measures are put in place to avoid unlawful aid being granted.</p> <p>Ongoing legal advice will be provided in respect of the development of the scheme</p>

		and advice will also be provided in respect of individual projects, if needed. Legal Services can provide a template Grant Agreement to assist in streamlining the process. EH 23/6/17
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough wide impact

PART B) – ADDITIONAL INFORMATION

4. Telford Pride @ 50 Fund

- 4.1 The Pride in Your Community Programme was established in 2014 in order to support the continued growth of the Borough. The programme comprised of a number of elements including improvements to the physical infrastructure and environment, the Community Pride Fund, Pride in Your High Street and Councillors' Pride Fund. Further funding for the Pride in Your Community Programme was agreed by Council in March 2017. The programme will include continued investment in the physical environment including improvements to the road network and repairs to structures such as bridges and retaining walls, and a further £2m has been allocated under the community pride theme. In 2018 Telford will celebrate its 50th birthday, this is a significant milestone in the on-going development of the town and it is proposed that this £2m funding is used to create a legacy for the Borough that both commemorates the past 50 years and also helps to meet our of vision of Telford as the Place of Enterprise, Innovation and Partnership.
- 4.2 The Council continues to operate within a challenging financial environment and our Service & Financial Planning Strategy for 2016/17 to 2019/20 identified that there will be a need for the Council to identify further savings. Having already achieved savings of around £96m, the Council remains committed to supporting those that are most vulnerable within our society. We know that by working with partners such as Town and Parish Councils and community organisations that we have been able to mitigate against the impact of the savings on some front line services such as libraries and community centres. In this current context it is important that we ensure that the £2m allocated for this element of the Pride programme is utilised to create a sustainable legacy for the Borough, supports the delivery of the Council's priorities and facilitates the development of strong and resilient communities.
- 4.3 It is therefore proposed that the £2m is used to establish the 'Telford Pride @ 50 Fund'. It is proposed that £1m will be allocated to establish a 'legacy fund' that can be used to invest in projects that both recognise Telford's history and support the future social and economic growth of the Borough. It is proposed to carry out community consultation between July and September to identify the community's

priorities for developing a legacy for Telford and Wrekin. Once the legacy themes have been identified, projects will be developed that support the delivery of these themes. The types of projects delivered will depend on the themes identified but could include investment in community buildings, heritage trails or local attractions. These projects may be delivered by the Council or by another local organisation, depending on the nature of the project. If more than one organisation could be deemed as suitable to deliver a project we will seek initial 'expressions of interest' from appropriate organisations. The Council would then work with the most appropriate organisation(s) to support the implementation of the project, the aim would be to facilitate organisations to work together on delivering the legacy themes chosen by the community. This would reduce some of the burden that has previously been experienced by organisations that have delivered projects via the Community Pride and Pride in Your High Street Funds and ensure a more streamlined process of project delivery. It is envisaged that expressions of interest would be sought from early 2018. At this stage it is not proposed to put financial limits on the size of projects, however, the aim will be to ensure that the legacy projects are spread across the Borough.

- 4.4 An important aspect of celebrating Telford's 50th birthday during 2018 will be the delivery of an events programme throughout the year. Some events will be led by the Council however, there is also an opportunity to further develop the community's skills and ownership of local events. It is therefore proposed that £50,000 will be available from the 'legacy fund' outlined above to support the delivery of community led celebrations. It is proposed that consultation workshops will be held across the Borough to develop the themes for the celebration events and to build the capacity of community groups to deliver their celebration events. This programme will be delivered between the Community Participation Team and the Creative Arts Team.
- 4.5 It is proposed that the remaining £1m of the 'Telford Pride @ 50 Fund' is allocated to schemes and projects that support the delivery of the Council's priorities, assist in strengthening our communities and reducing demand on Council services. The funding could be used to pump prime projects that are delivered by the Council or similar to the legacy fund, expressions of interest may be sought from other organisations that are able to deliver projects that help us to meet our aspirations for the Borough. It is envisaged that the process for identifying appropriate projects will commence within the Council during the summer. Information relating to previous consultation on community priorities, demand on Council services and feedback on the legacy priorities will be used to identify the key themes for allocation of this funding. An example of the type of project that may be developed through this element of the Telford Pride @ 50 Fund could be investment in supporting an organisation to provide a lunch club for older people. Funding could be used to install a catering kitchen in a community facility, or to purchase a vehicle to enable food delivery. Projects such as this would help to support delivery of the Council's priorities relating to health and wellbeing and supporting vulnerable adults.

5. Community Capacity Building Fund

- 5.1 As set out in our Service and Financial Planning Strategy for 2016/17 to 2019/20 the Council is keen to continue to work with our partners including Town and Parish Councils, and Voluntary and Community Organisations to mitigate against the impact

on our community of further Council savings. The Partnership Support Programme has seen a number of services including libraries and community centres transfer to other organisations and it is proposed to build upon the success of this programme. Once an organisation has agreed to take over the delivery of a service previously supported by the Council they are able to access a grant for a period of 3 years. However, some organisations have found it difficult to secure funding to develop their capacity to take the service on. Although we have a wide range of voluntary and community organisations across the Borough we recognise that some organisations require support if they are going to look at delivering new services or grow their existing activity. Therefore, £695,000 revenue reserves has been set aside to support the capacity building of organisations to enable them to develop new projects, expand existing activity or take over the delivery of a Council service.

- 5.2 It is proposed that the Capacity Building Fund is used in a number of ways. It will be used to support the delivery of Council priorities such as recruiting and supporting volunteers, funding 3rd party indemnity insurance where appropriate, to cover the costs of initial training for voluntary run youth groups or other training required by organisations that will be taking on the delivery of Council services. It is envisaged that the Community Participation Team may allocate small grants to organisations to build their capacity or to cover the early costs of project development. It is proposed that there would be 2 levels of grant available, up to £2,000 for initial start-up costs for a new group, and up to £10,000 for project development costs for projects that assist in delivery of Council savings. Funding will only be provided to organisations where there is a direct link to delivery of the Council's priorities and potential to support the delivery of our financial strategy. Consultation on the development of the fund has already taken place with a number of voluntary and community organisations, and it is proposed that grants will start to be allocated from September 2017.

6. IMPACT ASSESSMENT ADDITIONAL INFORMATION

None

7. PREVIOUS MINUTES

Cabinet 9 January 2014 'Everyday Telford – Pride in Your Community Programme' report.

8. BACKGROUND PAPERS

None

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TELFORD & WREKIN COUNCIL**CABINET – 13 JULY 2017****DEVELOPING AN ONLINE LOCAL AUTHORITY LOTTERY****REPORT OF THE MANAGING DIRECTOR****LEAD CABINET MEMBER - CLLR LEE CARTER****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 It has become increasingly difficult for Voluntary and Community Sector (VCS) organisations to secure funding to support the core delivery of their services. The Council is committed to supporting the VCS to build their capacity and to ensure that we work together to deliver positive outcomes for residents of Telford with the limited resources we now all have. The proposal is for the council to launch an Online Local Authority Lottery (OLAL) to assist local good causes in raising funds to support the good work they do in our communities and to contribute to a stronger community as we celebrate Telford at 50.
- 1.2 An OLAL allows players to choose a local good cause to support or they can support the central fund, the Local Authority chooses how the central fund is allocated to support local need.
- 1.3 It is proposed that the central fund is allocated to support delivery of the Council's priority relating to vulnerable adults and children.
- 1.4 It is proposed that the authority seek an External Lottery Manager (ELM) to manage the lottery on its behalf, following the initial set up cost the costs incurred by the ELM are funded through the sale of tickets.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the proposal to launch an Online Local Authority Lottery as part of our programme to celebrate Telford at 50 and to seek an External Lottery Manager to run the lottery on the council's behalf on the basis of a 3 year contract.
- 2.2 That the Managing Director, in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development be given delegated authority to set up an online local authority lottery and make any appropriate application as necessary to the Gambling Commission in order to establish the online local authority lottery.

2.3	That the Managing Director be indemnified, including the securing of adequate insurance, in relation to any liability that may arise from being the named operating licence holder on behalf of the Council.
2.4	Cabinet to approve the allocation of central fund monies to help to support delivery of our priority relating to vulnerable adults and children as outlined in 4.3 of this report.
2.5	That delegated authority is given to the Managing Director in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development to allocate the central fund to projects that support our priority relating to vulnerable adults and children.
2.6	That delegated authority is given to the Managing Director in consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development to finalise the details of the scheme, including for example the lottery name and application criteria for good causes.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Put our children and young people first Protect and support our vulnerable children and adults Improve the health and wellbeing of our communities and address health inequalities
	Will the proposals impact on specific groups of people?	
	Yes	The OLAL will have many positive impacts on a large number of local groups. It will support development and sustainability and allow players to support the groups of their choice making communities stronger and promoting self-help. Some organisations based on Faith or belief do not accept funding from sources involved with gambling and so will be unable to benefit from this funding opportunity. However other local funding opportunities do currently exist such as Councillors' Pride and Veolia local grants. The council is also offering the provision of information on funding opportunities. We have considered the possibility of problem gambling and consider a lottery to be a low risk activity. We will promote responsible gambling on the lottery website.
TARGET COMPLETION/DELIVERY	It is expected that the lottery will be launched in March 2018 as part of the Investing in Telford at 50 scheme.	

DATE		
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>The administration of the OLAL will be undertaken by the ELM. Payments to local good causes chosen by ticket buyers will be made directly from income received for ticket sales by the ELM. The financial risk associated with insufficient money being available in the fund to cover pay outs for winning tickets will be borne by the ELM and they will have relevant insurance to cover them for this instance. The Council will receive payment from the central fund to then allocate to local good causes as outlined in recommendation 2.2 of this report.</p> <p>£10k has been earmarked in the Capacity Fund to cover the first year costs associated with the OLAL. The ongoing costs as outlined in section 9 of this report will be met from 4p of the proceeds from lottery ticket sales. 70,275 tickets would need to be sold in a year (1,352 per week) to cover the annual costs of £2.8K. If there is a shortfall in ticket sales the gap in funding for ongoing costs will need to be met from Council budgets MLB 12.06.17</p>
LEGAL ISSUES	Yes	<p>Lotteries are illegal unless they fall into one of the categories specifically permitted by law. The relevant law is contained in the Gambling Act 2005 (the Act). The Act creates eight categories of permitted lottery. One of these categories are local authority lotteries which require an operating licence from the Gambling Commission (the Commission).</p> <p>Local authorities that allow players to participate in their lotteries by means of remote communication i.e. internet are required to hold a remote lottery operating licence.</p> <p>A local authority must appoint a person, who will be named on the licence, to have overall management responsibility for the promotion and proper management of the lottery and for compliance with the regulatory regime as a whole. That person should be a senior</p>

		<p>manager who holds the relevant delegated authority from the local authority.</p> <p>The general requirements and controls over a local authority lottery are set out in Part B of this report.</p> <p>The Act allows a local authority lottery to employ an External Lottery Manager (ELM) to manage all or part of its lottery on its behalf. This limits the local authority to 'outsourcing' the running of a lottery to a third party.</p> <p>The fact that a local authority may employ a licensed ELM to manage all or part of its lottery does not absolve the local authority, and the named operating licence holder, from their responsibility for ensuring that the lottery is conducted in such a way as to ensure that it is lawful and fully compliant with the Act, related regulations and all licence conditions and codes of practice.</p> <p>It is therefore the case that consideration should be given to the Council indemnifying the relevant officer, including securing adequate insurance, in relation to any liability that may arise from being named on the operating licence.</p>
<p>OTHER IMPACTS, RISKS & OPPORTUNITIES</p>	<p>Yes</p>	<p>This OLAL provides the opportunity for the council to support local VCS organisations to raise funds and to help to mitigate against the financial challenges many organisations currently experience.</p> <p>There is the potential risk that ticket sales will not be sufficient to ensure the lottery is a worthwhile venture. Each good cause will receive bespoke marketing materials to promote their cause, we are advised by Aylesbury Vale District Council that 70% of ticket sales are generated by the good causes themselves. Four pence from every ticket sold will also allow further marketing activity.</p> <p>There is a potential risk to the local authorities reputation in terms of the perception of the authority encouraging</p>

		gambling. This lottery aims to raise money for the community and it is on this basis the lottery will be promoted. The authority will take problem gambling seriously and will ensure the provision of information. There is no instant gratification through playing the lottery so it is considered to be low risk.
IMPACT ON SPECIFIC WARDS	No	This project has the potential for a Borough wide impact and is therefore a Key Decision. It is expected that community and voluntary groups across the Borough will sign up and benefit from this new source of fundraising.

PART B) – ADDITIONAL INFORMATION

4. Overview of the Online Local Authority Lottery (OLAL)

- 4.1 Voluntary and Community Sector (VCS) organisations, like the Local Authority, are operating in an increasingly challenging financial climate. “Being the Change” outlined our commitment to “take a lead role in building and strengthening the resources within our communities” and to work “with existing small voluntary sector groups to build their capacity to ensure their sustainability or expansion as appropriate”. An OLAL gives the council the opportunity to support local good causes to raise funds and support their sustainability. As we celebrate Telford’s achievements over the last 50 years this lottery offers the opportunity to invest in in Telford’s communities now and in the future. The lottery will be branded and launched as part of the Telford Pride @ 50 programme.
- 4.2 There are different types of lotteries available, however this report is considering a Local Authority lottery, these are lotteries promoted by local authorities themselves. These differ from society lotteries registered with a local authority licensing authority. The Local Authority is required to obtain a licence from the Gambling Commission and may use the net proceeds of such lotteries for any purpose for which they have power to incur expenditure.
- 4.3 The OLAL is expected to raise a new source of funding that was previously unavailable to local good causes and will therefore complement their existing efforts. It will also generate a central fund; the local authority decides how this is allocated. The Council continues to operate within a challenging financial environment however we remain committed to supporting those that are most vulnerable within our society. The recommendation of this report is that the central fund is used to support our commitment to the most vulnerable people within our communities. One of the Council’s key priorities and areas of expenditure relates to our priority to ‘protect and support our vulnerable children and adults’, the central fund will be used to enable the delivery of this priority. This may be by supporting Council services for vulnerable adults and children or allocating funding to other organisations that are able to deliver this priority. It is proposed that the Managing Director in consultation with the

Cabinet Member for Council Finance, Commercial Services & Economic Development agrees how the central fund will be allocated each year, this will be reported on the lottery website enabling players to know how their money is spent.

4.4 The first OLAL was launched by Aylesbury Vale District Council in November 2015, Aylesbury Vale District Council have a similar population to our own (181,000 compared to our 173,600), after the first 3 months of operation they were projected to raise:

- Over **£25,000** a year for the central fund, and
- Over **£38,000** a year for the registered individual causes

By the end of the first year they had exceeded this with a total of £78,000 raised*.

*Note these figures are on the basis that 60p goes to good causes and the council funds the yearly costs. We are suggesting that 56p goes to good causes and the yearly costs are funded through the sale of tickets (4p).

4.5 Since the launch of the Vale Lottery several other local authorities have followed in their footsteps;

Council	First draw date	Central fund projection in first year*	Population**
Portsmouth City Council	5 November 2016	£28,548	207,100
Melton Borough Council	24 December 2016	£4,056	50,376
Gloucester City Council	18 February 2017	£13,520	617,162
Corby Borough Council	29 April 2017	£12,948	61,300
Torbay Council	27 May 2017	£16,198	130,959
Tunbridge Wells	First draw 8 July 2017	£3,172	116,100
Somerset West	First draw 29 July 2017	£3,770	143,700

* Note these figures are on the basis that 60p goes to good causes and the council funds the yearly costs. We are suggesting that 56p goes to good causes and the yearly costs are funded through the sale of tickets (4p)

**This is based on whole population so not all would be eligible players, however it offers a useful comparison to Telford and Wrekin's population of 173,600

Further authorities are currently in the process of setting up their own lotteries including; Hertfordshire County Council, Rushmoor Borough Council, Wycombe District Council, Newcastle-Under-Lyme Borough Council, North Lincolnshire Council, London Borough of Barking and Dagenham Council, South Staffordshire District Council and Essex County Council.

4.6 The types of good causes that are signed up to other OLAL's include, amongst other things, Girlguiding/Scout groups, pre-schools/afterschool clubs, lunch clubs for the elderly, community transport, sports clubs, support groups, community events/festivals, Homestart, youth clubs/groups, Army Cadets, community buildings and groups supporting those with disabilities or other identified needs.

- 4.7 Tickets cost £1, with 56p from each ticket being donated to good causes. The OLAL allows ticket buyers to choose their local good cause, giving them the power to improve their local community and local services in the ways that they want to. For each ticket sold 6p of that 56p will go to the central fund with players either choosing a good cause to donate the remaining 50p to or they may choose to donate to the central fund, in all cases the central fund is the default.
- 4.8 The OLAL allows all good causes, regardless of their size to take part; the council set the criteria and are responsible for accepting applications from good causes. The full criteria for the scheme will be developed, however, it is likely to stipulate that community activities or services must be provided within the Borough for the benefit of residents of the Borough, alongside detailing how applicable groups must be constituted. Some draft criteria that are likely to be included are shown in Appendix 1 of this report.
- 4.9 All good causes will be given equal marketing support to ensure they can increase their supporters meaning very small community groups have an equal chance of marketing their group as larger organisations. Vale Lottery has over 120 organisations signed up, rising from 40 when the lottery first launched.
- 4.10 The unique selling point of this lottery is that 56% of each ticket sold will go to local good causes and 100% of the funds raised for good causes will stay local so players can be assured that their money will support local causes.
- 4.11 The lottery will appeal to a variety of individuals, altruistic supporters who will support due to the good cause alone, prize motivated supporters who are motivated by the favourable prize structure and odds, and optimistic supporters who need the motivation of prizes and giving.
- 4.12 Initial consultation has been carried out with a wide range of local organisations in relation to establishing an OLAL within Telford. Groups have given their initial support to the scheme and it is felt that it is unlikely that this lottery will impact on existing fund raising activity and has potential to complement it.

5.0 Detailed Delivery of the OLAL

- 5.1 The OLAL is will be run following the existing rules and regulations which include the following;
- Licensing authorities may run 'local authority lotteries' to raise funds to cover anything for which they have the power to incur expenditure.
 - All local authority lotteries must be licensed by the Gambling Commission.
 - Licensing authorities may employ an external lottery manager (ELM) to run all or part of their lottery. ELMs must be licensed by the Gambling Commission.
 - Local authorities must submit information about each lottery they operate including:
 - total proceeds and how they have been distributed between prizes and expenses
 - purpose for which the local authority has power to incur expenditure.

5.2 The OLAL operates in the following way;

- Tickets cost £1 per week.
- Ticket purchase is not limited to residents of Telford and Wrekin, it is only the good causes that must be local
- Draws are conducted every Saturday (online) at 8pm and results are posted live online
- 56p in every £1 goes to good causes (56%) – double the percentage that the National Lottery gives to good causes (28%)
- Players sign up online via Direct Debit or payment card. Payments are either taken on a monthly recurring plan or a 3/6/12 month one off payment
- Players can buy multiple tickets and for multiple good causes
- Staff and Members can play
- Winning players are notified via email and receive their prizes directly into their nominated account or they can choose to donate their winnings to their chosen good cause
- Good causes are paid their income automatically on a monthly basis.

6.0 The Prizes and Funding Raised

6.1 Overall odds of winning any prize is 1:56, tickets must match the numbers in the sequence as shown on the ticket either from the start or end of the 6 digit number. There is also the option to bolt on “raffle” type prizes (such as tablet computers etc.) to increase ticket sales. Winners have the option to donate their prize to their chosen good cause.

	<i>Winning Odds</i>	<i>£ Prize</i>
6 numbers	1:1,000,000	£25,000
5 numbers	1:55,556	£1,000
4 numbers	1:5,556	£250
3 numbers	1:556	£25
2 numbers	1:56	3 free tickets

Note: The ELM will underwrite the risk for all prizes up to £1,000. The Jackpot prize of £25,000 is more of a risk; however, the ELM will have insurance to cover this cost. Because of this, if 2 (or more) people win the same Jackpot prize, they will each receive £25,000 (it will not be a split prize).

6.2 How much can online Local Authority Lotteries raise?

- The maximum aggregate value of lottery tickets that can be sold in any calendar year is £10 million.
- The maximum prize in a single lottery is £25,000 or 10% of the proceeds (gross ticket sales), whichever is greater.
- Rollovers are permitted provided the maximum single prize limit is not breached.
- Local authority lotteries must apply a minimum of 20% of the gross proceeds of each lottery for any purpose for which it has power to incur expenditure.
- Up to a maximum of 80% of the gross proceeds of each lottery may be divided between prizes and the expenses of the lottery.

- The maximum value of tickets that can be sold in a single lottery is £4 million.
- For each ticket purchased the £1 is split:
 - 56p good causes (6p of this always goes into the central fund, the remaining 50p will either be for a good cause specified by the player or to the central fund – which is the default)
 - 20p prizes
 - 17p running costs incurred by the External Lottery Manager (includes cost of banking and transaction fees, running the site, player support, marketing etc.)
 - 3p VAT – External Lottery Manager costs are subject to VAT
 - 4p additional running costs, including Gambling Commission License, Lotteries Council Membership and marketing

The model below indicates that a small percentage of eligible players in the Borough can raise a significant amount of money. Please note this is an illustration, we would not expect the equivalent of 2.5% of the eligible population to play initially. We would work towards 1.5% of the eligible population playing or the equivalent number of ticket sales by 18 months.

Ticket Price £	Number of players*	% of AV Player Pop	Tickets bought per week	Number of weeks	Gross Return	Received by Good Causes**
1	682	0.5	1	52	£35,464	£19,860
1	1,363	1	1	52	£70,876	£39,690
1	2,045	1.5	1	52	£106,340	£59,550
1	2,726	2	1	52	£141,752	£79,381
1	3,408	2.5	1	52	£177,216	£99,241

*Figures taken from the estimated population in Telford and Wrekin of 16+ year olds (136,338) as reported in the Telford and Wrekin population profile 2015

**This is the total figure which would be donated to all good causes, it is difficult to split between ticket types at this stage and estimate the allocation to the central and specific good cause's funds.

7.0 The role of the External Lottery Manager (ELM) and the Council

7.1 Licensing Authorities may employ an External Lottery Manager (ELM) to run all or part of their lottery. ELM's must be licensed by the Gambling Commission. The ELM run all day to day operations and will hold the funds associated with the lottery, the money for good causes and prize money will be held in a client deposit account. The ELM will be responsible for the transfer of prize monies and good cause monies to the relevant parties, the council are only required to authorise payments to good causes. The Council will control oversight and governance, and will be responsible for:

- Applying for a Local Authority Lottery licence from the Gambling Commission
- Identifying criteria for good causes
- Approving new good causes as applications are submitted

- Authorising monthly cause payments and quarterly Gambling Commission submissions (please note: all of this administration work is provided by the ELM, the council only needs to authorise the work)
- Promoting the lottery to players and good causes

8.0 Timescales

- 8.1 The proposal is to seek an External Lottery Manager to manage the lottery on behalf of the council, it is estimated that from the point of identifying and securing an ELM it will take 14 weeks for the lottery to go live. This will include registration with the Gambling Commission, website development and systems testing, launch event for good causes followed by sign up, the website should be launched to the public at week 10 with the first draw taking place at week 14.
- 8.2 Procurement would take place using Request for Quote, this process will take around 2 months to complete, and the contract would run for 3 years. It is proposed to launch the Telford OLAL in March 2018 as part of our package of investment in Telford at 50.

9.0 Costs of establishing an OLAL

- 9.1 Aylesbury Vale District Council worked with an External Lottery Manager who has now developed an online platform which is available at a one off cost of £3,600, we would look to procure a provider at around this cost. Monies will be required to launch the OLAL to ensure both sign up of local good causes and to promote ticket sales, it is estimated that this would be a minimum of £4,000 in the initial year. It is proposed that all ongoing costs are financed through ticket sales including the yearly license and membership fees and marketing costs. Due to the initial increased marketing costs and the likelihood that it will take time to build ticket sales it would be appropriate for the authority to ensure the cost of marketing in the initial year is met if it cannot be met through ticket sales. Estimated costs for the initial year and following years are detailed below.

First Year	Cost
Online development (£3,000 + VAT)	£3,600
Marketing	£4,000
Gambling Commission License- Yearly fee (inc application fee)	£936
Lotteries Council Membership - Yearly fee (inc application fee)	£375
Total	£8,911

Ongoing yearly costs	Cost
Marketing	£1,500
Gambling Commission License- Yearly fee (inc application fee)	£936
Lotteries Council Membership - Yearly fee (inc application fee)	£375
Total	£2,811

10. Risks

- 10.1 There is a potential risk to the local authority's reputation in terms of how the public perceive the council encouraging a gambling activity. This project was conceived as a way to support local communities and raise additional funds, giving individual's choice in how those funds are allocated. Promotion of the lottery will ensure that it is well understood that the OLAL will have a positive impact on our communities. Using Vale Lottery as an example there is potential that once well established an OLAL could bring £78,000 per year of completely new money to local good causes, supporting community stability. Vale Lottery have found the public, good causes and press to be supportive of the lottery. The council also takes its duty of care to residents seriously and will address problem gambling through provision of information on the website.
- 10.2 There is a potential risk that the lottery may not sell enough tickets in order to cover the costs of running the scheme, to mitigate this the contract will include a 3 month break clause to allow the authority to end the contract should the situation be untenable.

11. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 11.1 Some local good causes will not benefit from the OLAL due to their stance on gambling, for example faith groups. However, other local grants are available and the council support the provision of information on available grants to community groups.
- 11.2 Problem gambling has been considered in developing this proposal. Lotteries are the most common type of gambling activity across the world, and considered to be a 'low risk' form with respect to the emergence of problem gambling. This is due to its relatively controlled form, gamcare.org.uk, a national charity supporting those affected by gambling (through a helpline and face to face counselling), reported that just 1% of their clients reported offline use of the National Lottery. No statistics are available for online problematic use of the National Lottery. The Gambling Commission reports in 2012 that 0.5% of the 16+ population identified themselves as problem gamblers (across all forms of gambling).
- 11.3 We take our commitment to supporting the health and wellbeing of all residents seriously and will mitigate against problem gambling by:
- Only being playable via by pre-arranged sign up and non-cash methods
 - There is no 'instant' gratification or 'instant reward' to taking part
 - Seek any further advice from our appointed ELM
 - The lottery will be fully compliant with the Gambling Commissions licensing code of practice, which includes self-exclusion and links with support organisations.
- Due to these factors it is reasonable to believe that the OLAL will not significantly increase problem gambling, and that the benefits to good causes in the area from the proceeds of the lottery outweigh the possible negative issues.
- 11.4 We will work with our ELM to address any accessibility issues.

12.0 PREVIOUS MINUTES

None

13.0 BACKGROUND PAPERS

None

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Appendix 1

Draft Criteria for acceptance into the Telford Local Lottery Scheme

Below are some of the criteria that could be used to authorise organisations that would be eligible to take part in the Telford Local Lottery.

The organisation would need to demonstrate that they:

- Provide a community service within Telford & Wrekin Council's geographic that benefits the residents of Telford and Wrekin
- Have a formal constitution or set of rules
- Have a bank account with at least two unrelated signatories
- Operate with no undue restrictions on those who can access the services provided
- Will actively market the lottery
- Provide the Council with such documentation as the Council needs

The organisations would need to be:

- A constituted group with a volunteer management committee that meets on a regular basis
- A registered charity or a Community Interest Group

We will not accept organisations that:

- Aim to distribute a profit
- With no established management committee or board of trustees, unless a Community Interest Group
- The Council will reserve the right to admit any organisation on whatever grounds it thinks fit.
- The Council will reserve the right to end an organisations participation in the lottery for any reason it thinks fit.