



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

CABINET

Date **Thursday, 19 October 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

			<u>Page</u>
	1. Apologies for Absence		
	2. Declarations of Interest		
	3. Minutes of the meeting of the Cabinet held on 14 September 2017	Appendix A	3
KC	4. 2017/18 Financial Management Report	Cllr L D Carter Appendix B	14
K	5. Pride in Our High Streets - Supporting Business	Cllr L D Carter Appendix C	35

Continued ...

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

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 19 October 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 25 OCTOBER 2017

(DEADLINE FOR CALL-IN: MONDAY, 30 OCTOBER 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) and Councillor W L Tomlinson (Liberal Democrat/Independent Group Leader)

CB-125 Apologies for Absence

None.

CB-126 Christian Chandler

The Leader invited the Cabinet and all those in attendance to join him in observing one minute's silence in memory of Christian Chandler, a local 13 year old, who had tragically lost his life in a road traffic collision on Monday 16 October 2017.

CB-127 Declarations of Interest

None

CB-128 Minutes

RESOLVED – that the minutes of the meeting held on 14 September 2017 be confirmed and signed by the Chair.

CB-129 2017/18 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 20 September 2017.

Reserved for Council

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.

It was reported that the net projected outturn position for 2017/18 was estimated to be within budget. This was a positive position given that £13.8m savings were required to balance the 2017/18 budget, and currently left £4m uncommitted balance in the central contingency. Senior Managers would aim to sustain this position if

possible, so that the one-off contingency benefit was available to support the medium term budget strategy. However, it was noted that potentially the Council could face significant financial pressures if, for example, the winter was particularly hard or if the NHS faced significant winter pressures.

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. Members noted that projections took into account the specific contingency of £2.5m earmarked in the 2017/18 budget strategy for Early Help & Support pressures and the £2.5m Improved Better Care Funding available.

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

- A benefit of £2.5m relating to Treasury Management activities - the majority of which related to benefits from low interest rates for short term borrowing.
- Children's Safeguarding was a key pressure with an overspend of £2.4m being reported which was an increase of £1.4m since the last report. This mainly related to the cost of placements for Looked after Children and the cost of social workers. A four year model was in place, designed to deliver efficiencies over the remainder of the year and medium term.
- Early Help & Support – the service was currently projecting an overspend of £0.9m mainly relating to the purchase of care packages.

It was noted that the capital programme totalled £102.9m which included all approvals since the budget was set. At the time of compiling the report projected spend was 98% of the budget allocation. Some new allocations, virements and slippage had been identified which would go to Full Council in November for formal approval.

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

The Department for Communities and Local Government was seeking applications from authorities to pilot 100% Business Rates Retention in 2018/19 and to pilot new pooling models. The Cabinet Member reported that discussions had commenced with Shropshire and Herefordshire Councils to assess whether submission of a joint business case could be beneficial. The deadline for submission of business cases was Friday 27 October but assessing the potential financial implications and developing associated governance arrangements were complex issues which were still being discussed. Delegated authority to the Managing Director after consultation with the Cabinet Member for Finance, Commercial Services and Economic Development to apply for Business Rates pilot status jointly with one or more other councils if an acceptable business case can be developed is therefore requested.

The Conservative Group Leader commented on the overspend relating to Children's Safeguarding which was a nationwide problem and raised the potential for regional or conglomerate working on the issue. He also welcomed the bid to pilot 100%

Business Rates Retention in 2018/19, appreciated the complexity of putting the business case together, and hoped for a successful bid.

Councillor W L Tomlinson (Liberal Democrat/Independent Group Leader) noted pressures on the budget from Children's Safeguarding and Early Help & Support, particularly noting that an aging population was unlikely to reduce pressure in the latter service area. He also anticipated budgetary pressure as a result of the roll out of Universal Credit.

The Leader reflected on discussions at the recent Local Government Association Conference which he had attended which identified Adult Social Care, Looked After Children, uncertainty on Business Rates and the Better Care Fund as key budget pressures. He particularly welcomed the Chairman of the LGA Community Wellbeing Board, Cllr Izzi Seccombe's, challenge to the government to provide additional funding.

RESOLVED that -

- (a) **it be noted that 2017/18 revenue spending is currently projected to be within budget and work will continue with SMT to sustain this position;**
- (b) **the position in relation to capital spend be noted and TO RECOMMEND TO COUNCIL that the new allocations, virements and slippage detailed in Appendix 3 of the report be approved;**
- (c) **the collection rates for NNDR, council tax and sales ledger be noted; and**
- (d) **delegated authority be granted to the Managing Director, after consultation with the Cabinet Member for Finance, Commercial Services and Economic Development to apply for Business Rates pilot status jointly with one or more other councils if an acceptable business case is developed.**

CB-130 Pride in Our High Streets - Supporting Business

Key Decision identified as **Pride in Your High Street 2** in the Notice of Key Decisions published on 20 September 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Business, Development & Employment. It was reported that despite the Council having to deliver £96m of ongoing savings in response to Government cuts, investing in High Streets and local communities remained a priority. The report set out proposals to invest a further £700k into the six high streets of Wellington, Ironbridge, Newport, Oakengates, Dawley and Madeley.

The first phase of the Pride In Your High Street programme had comprised two elements of funding to support events and activities around high streets and local centres funding c.30 projects to increase footfall and achieve economic outcomes.

The proposed second phase of the programme was targeted at the six Borough Town high streets and sought to address the challenges and opportunities presented by the change of household spending patterns, shopping culture and recreation trends which resulted in the High Streets nationally being under threat. The report set out the initiatives that would be delivered by the Pride in Our High Streets programme, the eligibility criteria for each and also how the Council would support the branding and marketing of high streets to make the most of the market role and potential of each high street and maximise the footfall from both the local and regional visitor markets.

The second phase of the programme would comprise £700,000, incorporating £200,000 of underspend from the first phase. The importance of engaging more young people in revitalising and visiting our local high streets had already been identified and Cabinet had previously approved the use of £100,000 of this funding to deliver the Young High Street Challenge.

Members noted that experience had shown that the most successful high street regeneration schemes were the result of local action and small projects and particularly reflected upon the Empty Unit Incentive Package Property and Façade Improvement.

Following calls from the Conservative Group Leader and Liberal Democrat/Independent Group Leader for the commissioning of a research study, Members were advised that there was already a lot of national level data available which could be shared to this end.

RESOLVED that:-

- (a) Cabinet agrees that Pride in Our High Streets is implemented as set out within the report.**
- (b) delegated authority is given to the Assistant Director Business, Development & Employment in consultation with Assistant Director Finance & Human Resources and the Cabinet member for Finance and Service Delivery to approve grant funding packages as set out within the report.**

The meeting ended at 5.32pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 25 October 2017

Signed:

Date:

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 14 September 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 20 SEPTEMBER 2017

(DEADLINE FOR CALL-IN: MONDAY, 25 SEPTEMBER 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) and Councillor W L Tomlinson (Liberal Democrat/Independent Group Leader)

CB-117 Apologies for Absence

None.

CB-118 Declarations of Interest

Councillor S Davies declared a personal interest in agenda item 6 – West Mercia Youth Justice Plan in relation to his work as a Solicitor representing people in the Youth Court.

Councillor A R H England declared a personal interest in agenda item 6 – West Mercia Youth Justice Plan in relation to his role as a JP in the Youth Court.

CB-119 Minutes

RESOLVED – that the minutes of the meeting held on 13 July 2017 be confirmed and signed by the Chair.

CB-120 Locally Administered Temporary Business Rates Relief Scheme

Key Decision identified as **Locally Administered Temporary Business Rates Relief Scheme** in the Notice of Key Decisions published on 16 August 2017.

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. It was reported that in April 2017, businesses were subject to a change in the rateable value of their business premises due to a revaluation by the Government's Valuation Office Agency. The impact of this change on the 5046 business premises within the borough was noted: 62% had an increase in value, 23% had a decrease in value, and 15% had no change.

It was noted that funding for Locally administered business rate schemes would be made available to councils to help provide further support for businesses affected adversely by the national business rates revaluation exercise.

It was reported that funding for the locally administered business rate scheme had been allocated by the Government to councils on a formula basis. The amounts for Telford & Wrekin were presented in the report. The Government would compensate authorities for the lost business rates income they incurred as a result of the new scheme up to the maximum of each years' allocation.

After a long period of delay, the Government had confirmed that there would be no flexibility to move funding between allocated years. The funding formula was calculated by the Government based on properties with a rateable value of less than £200,000, and the increase in rateable value of the property was more than 12.5% before reliefs. The proposed discretionary scheme had therefore been prepared with these businesses in mind. It was noted that businesses already benefited from a range of relief schemes to reduce the burden of business rates where appropriate criteria were met. These were highlighted in broad terms in the report and included Small Business Rate Relief, Charitable Relief and Pub Relief. Other reliefs, such as empty property relief were available. Transitional Relief had been brought in to smooth the impact of significant increases and decreases in rateable value. The Report included a table which showed that 2,011 businesses were receiving relief which assisted in phasing in the increase in rateable value.

The proposed "Locally Administered Temporary Business Rates Relief" scheme was set out in Appendix A of the report. It was reported that the principles for this scheme had been developed in conjunction with Shropshire Council and if approved by both councils, the proposals would be adopted as a Shropshire wide scheme and provide consistency to businesses in awards which were made within the County. Appendix B showed how the relief would be distributed across the Borough.

The scheme had been designed to provide temporary relief to small and medium sized local businesses. Larger businesses with a rateable value above £200,000 had been excluded from the scheme on the basis that they were not considered by the Government when determining the Council's funding allocation.

National businesses had also been excluded from the scheme to ensure that they did not contravene state aid regulations. Verification of this would add considerable additional complexity and administrative cost and so the scheme had been designed to enable the provision of support to local businesses. It was noted that the scheme operated on a tapering basis, so each year the award would reduce in line with government funding allocations.

The proposal for 2017/18 for the new discretionary relief scheme was set at 65% of the increase in business rates as a result of the revaluation, net of other reliefs. Relief would be awarded to properties with a rateable value under £200,000, where the increase in rateable value is more than 5% as a result of the revaluation. The guidance was designed to be simple in nature to minimise the administrative burden to the Council and also create a scheme which was as easy as possible for ratepayers to understand. It was anticipated that there would be approximately 337 businesses that would benefit from an award of discretionary relief.

It was noted that consultation with major preceptors was a requirement of the funding by the Government. For Telford and Wrekin Council, this applied to Shropshire Fire Service and West Mercia Police. The Fire Authority had not yet expressed an opinion on the proposed scheme at the time of finalising the report.

It was noted that the Police had responded with no specific comments as the Police and Crime Commissioner was not directly impacted by the proposals.

At the end of the financial year, the Council would be required to complete a statutory statistical return which would report on the amount of money spent. The funding allocation given to the Authority would be reduced if the expenditure incurred as part of the relief scheme was at a lower level. Assistance provided to businesses in excess of the Government funding allocation would need to be met by the Council forcing further reductions in front line services.

Part funding for the discretionary fund has been provided by the Government for a four year period as outlined in the report. Allocations for 2018/19, 2019/20 and 2020/21 would be made towards the year of the previous financial year, and were expected to be in the region of 2018/19: 20-40%; 2019/20: 8-20%; 2020/21: 1-5%.

RESOLVED that -

- (a) the proposed locally administered business rate relief scheme as set out in this report be approved;**
- (b) delegation to the Assistant Director: Finance & HR to administer any future new reliefs which are fully funded by the Government and introduced under the Council's discretionary powers be approved.**

CB-121 Better Care Fund Update Report

Identified as Better Care Fund Update Report in the Notice of Key Decisions. In accordance with Regulation 10, the relevant Scrutiny Chair has been informed of the reasons why compliance with regulation 9 (28 days' notice of key decisions) was impracticable.

Councillor P R Watling, Cabinet Member: Adult's and Children's Early Help and Support, presented the report of the Head of Commissioning: Better Care Fund/ Care Close to Home, Telford & Wrekin CCG and Assistant Director: Governance, Procurement & Commissioning, which summarised the performance and progress of the Better Care Fund during 2016/17. It also provided an outline of the draft submitted Plan for 2017-19 approved by the Health and Wellbeing Board.

Members noted that the Better Care Fund (BCF) was a national programme, jointly led by NHS Telford & Wrekin Clinical Commissioning Group (CCG) and the Borough of Telford & Wrekin. The aim of the BCF programme was to transform the health and social care system, which focussed on key objectives:

- Resilient local communities focussing on well-being and Prevention
- Integrated preventative services delivered at a neighbourhood level
- A wide range of personalised approaches to support people to remain independent
- Reduced reliance on social care services
- Integrated teams to support diagnosing, treating and supporting people at home over 7 days up to 24 hours/ day
- Reduced avoidable admissions

It was reported that the aims of the programme for 2016/17 were in line with the CCG vision 'Working with our patients, Telford and Wrekin CCG which aspired to have the healthiest population in England and the Council priority to 'encourage healthier lifestyles, strengthened individuals and communities to support themselves'. The Council's Commitment Statement refreshed this, "Right Help Right Time to Promote Independence".

To deliver the BCF aims and objectives, three key integrated care programmes had been jointly agreed and were currently being implemented:

- Building Community Resilience
- Developing Telford Neighbourhood Care Teams
- Implementing Robust Intermediate care services

The key performance metrics and out-turns for 2016/17 were outlined, which included the following:

- Reducing non-elective hospital admissions, re-admissions and length of stay. Outturn- Emergency admissions for 2016/17 was 18,867. Month 12 was 17888. Reduction of -979/5.2%
- Reducing permanent admissions to residential and nursing care. Outturn-Rate of permanent admissions to residential care target was 540.6/100,000 (155 people). The final position was 383.4/100,000 (104 People).
- Improved patient experience
Outturn – Feeling supported to manage long term conditions has a target of 65.6. Final position was 62.77 which had been an improvement but below target.
- Reducing delayed transfers of care.
Outturn-Delayed Transfers of Care (DToC) target was 3285 days. Month 12 showed 3318 days (32 days over target). Month 12 showed a reduction against last year of 205 days.
- Improving the effectiveness of reablement/rehabilitation services.
Outturn-Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services target was 70%. The final position was 71% (72 of 101 still at home)

- A local measure of Reducing emergency admissions in 65 years + age group (revised in 2016/17 to 70+ years)
Outturn-The local metric was a reduction of 352 for 70+ population against last year (1967) of identified conditions. The final position was 1778 (actual reduction of – 86); -266 short of the target

Over the year more work had been undertaken to ensure that the BCF plan was aligned to other strategic and operational plans including the Sustainability and Transformation Plan, CCG Operational Plans and Council transformation plans.

It was reported that BCF planning for 2017/18 had been extended to two years (2017-2019), planning towards explicit integration of health and social care services was being measured and there were a reduced number of metrics, national conditions and KLOEs in order to provide assurance. The Council had received additional monies (Improved BCF or iBCF) through the Social Care Grant with some specific requirements of how it needed to be used.

The BCF performance and position for 2016/17 was set out in the report which rag rated achievements in key metrics. It was noted that there had been substantial progress made during the year. Key progress and impact of each initiative was summarised in the report.

The BCF performance for 2017-19 was detailed in the report which included the changes to the *'Integration and Better Care Fund'* as set out in the published planning requirements. The two year plan (2017-19) and all metrics, financial planning and planning reflected this.

The additional Improved Better Care Fund (iBCF) monies provided directly for social care services to support social care needs and also to reduce pressures on the NHS including supporting discharge and ensuring the local provider market was supported. The specific focus on Integration of health and social care services continued, reinforcing the 2015 Spending Review that highlighted the Government's intention that by 2020 health and social care must be fully integrated.

The simplification in reporting was welcomed but the narrative plans, part of the Submission, had to address what was seen nationally as key enablers to integration:

- 7 day services across health and social care;
- improved data sharing; and
- joint assessment and planning.

Members noted the future work programme outlined in the report which was set out in more detail within the draft Narrative Plan. The four national metrics needed to be agreed for the two years and the work programme would continue with existing themes. There was significant inter-relationship between BCF programmes and integrated working with other programmes such as Frailty; A&E Delivery Board and STP.

The report was welcomed by Liberal Democrat/Independent Group Leader and the importance of integration of social care and NHS services was noted. It was further noted that increased joined up working with out of area NHS services and partners was needed. The comments were welcomed by the Lead Cabinet Member, it was noted that the BCF and IBCF was a key part of the greater strategy to meet future need in creating resilient communities so that people could get the right kind of care at the right time.

RESOLVED to note –

- (a) **the outcomes of the Better Care Fund programme for 2016/17;**
- (b) **the BCF draft submission for 2017-19 approved by the HWBB subject to final, minor revisions which can be agreed by the appropriately delegated officers in Telford & Wrekin Council and Telford & Wrekin CCG;**
- (c) **the proposed use of BCF and iBCF monies as detailed in the report.**

CB-122 West Mercia Youth Justice Plan 2017/2018

Key Decision identified as **West Mercia Youth Justice Plan 2017/2018** in the Notice of Key Decisions published on 16 August 2017.

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

Cllr P R Watling, Cabinet Member: Children and Adults Early Help & Support presented the report of the Director: Children's and Adult Services which outlined the responsibility of the West Mercia Youth Offending Service and presented the Youth Justice Plan 2017/18 for approval and endorsement to Council.

It was noted that the Youth Justice Service was a youth offending partnership between the Local Authorities and NHS organisations across West Mercia, National Probation Service, West Mercia Police and the Office for the West Mercia Police and Crime Commissioner. The Youth offending partnerships had a statutory duty to produce an annual youth justice plan which was prepared on behalf of Herefordshire Council, Shropshire Council, Telford and Wrekin Council and Worcestershire County Council and partners.

The Youth Justice Plan for 2017/18 was prepared in May 2017 in line with the guidance issued by the Youth Justice Board (YJB), agreed at the West Mercia Youth Justice Service Management Board on 26th May 2017 and would be submitted to the YJB by the end of July 2017.

The Youth justice Plan set out how youth justice services across West Mercia was structured and funded and identified key actions to address identified risks to service delivery and improvement. Members noted the partnerships priorities for 2017/18 and commentary on the three national performance indicators for youth offending services (YOS). For the 'Rate of first time entrants to the youth justice system' it was reported that Telford and Wrekin's performance had improved by 16%. For 'The

number and rate of custodial sentences', Telford and Wrekin's rate equated to a rate of 0.12 which compared favourably to the West Mercia rate of 0.22 and the national rate of 0.37. For 'The proportion of young people re-offending', Members noted that there were proportionally more young people re-offending in Telford and Wrekin than for West Mercia. It was highlighted that when they did re-offend, on average, less offences were being committed. It was reported that a detailed analysis of the characteristics of re-offenders would be undertaken during 2017/18 and used to determine prevention measures that needed to be in place. The Officer presenting the report provided an update on the re-offending rate as the latest data had just become available for 2016/17. This saw the re-offending rate drop in Telford & Wrekin from 505 to 387 which was noted as a vast improvement. The Leader noted that this could be a result of reducing youth unemployment in Telford & Wrekin through initiatives such as Job Box.

The plan provided additional data across all 4 Local Authorities in West Mercia. In 2016/17 Telford and Wrekin recorded 86 young people entering the criminal justice system which equated to 0.52% of our youth population. The peak age of offending was 16 years of age.

Members noted the seven main priorities for 2017/18 which were detailed in the report and the actions being taken to address each priority.

It was reported that the hosting arrangement for the service transferred to the Office of the West Mercia Police and Crime Commissioner from 1st April 2016. West Mercia Youth Justice Service Management Board oversaw the implementation of the plan across West Mercia. The Safer Telford and Wrekin Partnership (the local community safety partnership) would scrutinise the local delivery of the plan.

The performance of the Youth Justice Service was highlighted in the report as subject to the three national indicators. Performance against the indicators was outlined in the plan and actions identified to address risks to performance improvement.

RESOLVED that the Youth Justice Plan 2017/18 be recommended to Full Council for approval and endorsement and that the West Mercia Youth Offending Service responsibilities are noted.

CB-123 West Mercia Fire and Rescue Governance Proposals

Key Decision identified as **Customer, Community and Partnership Scrutiny Committee Report to Cabinet on West Mercia Fire and Rescue Governance** in the Notice of Key Decisions published on 16 August 2017.

Leader of the Council, S Davies, Cabinet Member: Neighbourhood Services and Pride Programme introduced the report of the Customer, Community and Partnership Scrutiny Committee presented by Councillor G Reynolds, Chair of the CCP Scrutiny Committee.

Cllr G Reynolds reported that in June 2017, the West Mercia Police & Crime Commissioner (PCC) launched a three month consultation proposing an alteration to

governance arrangements for local fire services in Worcestershire, Herefordshire, Shropshire and Telford & Wrekin. The proposals focussed on the PCC's preferred option for the PCC to take on the roles of two local Fire Authorities (Shropshire & Wrekin and Hereford & Worcester), with the aim of improving local police and fire services and achieving £4m savings. As a result, Telford & Wrekin Council's Leader requested a recommendation from Scrutiny to Cabinet on whether or not Telford & Wrekin Council should support the proposals.

It was noted that the Customer, Community & Partnership Scrutiny Committee was a politically balanced scrutiny group of seven elected Members and two co-optees. The Committee was responsible for scrutinising key Council services including housing, environmental services, community safety and enforcement.

The PCC's proposals considered three options to meet the aims of central Government in bringing about closer working between emergency services and improving the way in which communities were served, the public protected and value for money for taxpayers. The PCC's proposals rejected the options of maintaining the status quo and single employer and recommended joint governance as the preferred option. It was noted that both Shropshire & Wrekin and Hereford & Worcester FRAs were well respected and were not failing and Shropshire & Wrekin FRA was one of the top 5 performing FRAs in the country.

The statutory consultees to the proposals were the constituent authorities of each Fire and Rescue Authority (FRA), the public, staff and their representative bodies. The Committee had extended it's thanks to the Police and Crime Commissioner, the Chief Fire Officer, Chair of the Shropshire & Wrekin Fire and Rescue Authority and Main Opposition Group Leader Shropshire & Wrekin Fire and Rescue Authority. It was noted that the PCC had kindly extended the consultation period to allow sufficient time for a recommendation to be made to Cabinet and for Cabinet to make a formal response.

It was reported that a meeting had been held by the Scrutiny Committee on 17 July 2017 to formally receive the PCC's proposals and to hear from the Chair and Main Opposition Group Leader of Shropshire & Wrekin Fire & Rescue Authority (FRA). Following a question and answer session, the Committee considered that further information was required to enable them to reach a recommendation and agreed to meet as a working group on 3 August 2017 to receive the FRAs' Independent Consultants' report and agree the Committee's recommendation to Cabinet. The Consultant's report was endorsement by the Shropshire & Wrekin FRA at its Extraordinary General Meeting on 1 August 2017.

The recommendations were made unanimously by those Scrutiny Members present on 3 August 2017 and were based on four main considerations; financial, service resilience, replacing the Fire and Rescue Authorities and collaboration. Members noted the detail of the considerations highlighted by the Scrutiny Committee provided in the report.

It was noted that the Committee considered the ability to deliver the savings uncertain. Although the PCC had stated that the savings were not a target, on balance the Scrutiny Committee felt that there did not seem to be sufficient evidence

to demonstrate that they could be made as described. The Committee was concerned that if the proposed savings would not be made as stated, they would be delivered either through other means which may adversely impact service delivery (ie as a result of redundancies or loss of buildings/ appliances), or result in an increase to the precept.

It was noted that the Committee concluded that the proposals to make savings from enabling services would reduce the resilience of the service. It was noted that the Committee concluded that the proposals risked a loss of control and influence of locally elected members and this could lead to reduced services with less local accountability. The Committee had found no merit in the PCC's proposals, especially within the context of a well-performing FRA, and welcomed current efforts at collaboration and encouraged this to be continued.

The legal implications were outlined in the report and it was noted that where the PCC wished to take on the responsibilities of a FRA, they must develop a proposal that demonstrated it was in the interests of economy, efficiency and effectiveness, or in the interests of public safety. Where local agreement did not exist, the Secretary of State had to obtain an independent assessment of the proposal, any representations made by the relevant local authorities, and the summary of views expressed by the people in the police area. The Secretary of State must have regard to that independent assessment before making an order to give effect to the proposal.

The Conservative Group Leader expressed his concerns on the proposals and stressed that there was a question mark over the capacity of the PCC to head up two organisations and the financial savings described in the proposals did not stack up. The Liberal Democrat/Independent Group Leader fully supported the recommendations of the Scrutiny Committee. The Leader of the Council highlighted the importance of local accountability.

RESOLVED to approve

- (a) the Customer, Community & Partnership Scrutiny Committee recommendations that:**
- (b) the proposal for the Police and Crime Commissioner to take on governance of local fire services in Herefordshire, Shropshire, Telford & Wrekin and Worcestershire not be supported for reasons of financial considerations, service resilience, and replacing the existing Fire and Rescue Authorities; and**
- (c) collaboration between Shropshire & Wrekin and Hereford & Worcester Fire & Rescue Authorities and other public bodies be encouraged to continue.**

Key Decision identified as **Cycling and Walking Strategy** in the Notice of Key Decisions published on 31 May 2017.

Cllr A D McClements, Cabinet Member: Transport, Infrastructure and Broadband and Cllrs A R H England, Cabinet Member: Communities, Health and Wellbeing presented the report of the Assistant Health and Wellbeing and the Assistant Director: Customer & Neighbourhood Services which outlined the proposals for the Telford & Wrekin Council Cycling and Walking Strategy for review and approval as the adopted Cycling and Walking Strategy for the borough.

It was noted that in recent years the Council had been successful in securing external funding into sustainable transport improvements such as the new National Cycle Route 55 connection between Newport & Stafford or the replacement Telford Central footbridge. Alongside this the Council continued to invest in maintenance of the Borough's infrastructure through the Pride in Our Community programme which would see £1.4m invested in our footway and cycleways over the next two years as well as investment into the roll out of new LED's across the Borough. However a strategy was needed to ensure that resources were focussed in the right areas to continue to encourage walking and cycling in the Borough and to ensure that it was accessible to all regardless of age or ability.

It was reported that the new Cycling and Walking strategy set out a long-term plan to encourage and support residents and visitors of the Borough to walk and cycle more in their everyday lives. The Action Plan together with the Strategy would guide priorities and funding on those measures, infrastructure schemes and wider supporting initiatives that were considered to be the most effective methods to increase cycling and walking rates in the Borough.

The action plan of proposed measures would help to achieve the vision of the strategy *“To provide a safe and attractive network of walking and cycling routes to support successful, prosperous and healthy communities.”* This approach would ensure the Council was better placed to co-ordinate activities to achieve the aims of the strategy and secure funding from external sources over the lifetime of the strategy as well as seeking opportunities linked to Pride in Our Community, Telford's 50th Birthday and the use of existing assets such as Telford Town Park. Members noted that the strategy sought a longer term behavioural change for people to make lifestyle changes in order to consider the use of walking and cycling more actively and frequently. The benefits of cycling and walking as an alternative mode of transport were highlighted and it was noted that Telford & Wrekin Council had taken a number of steps towards encouraging more people to use their cycles for both leisure and commuting to work and the Council has also sought to promote walking – again for leisure through its gardens and parks and for walking to access work and social facilities.

The Strategy reviewed recent developments in cycling and walking in Telford & Wrekin borough and recent developments in policy regarding these modes at the national and regional level, and progress that Telford & Wrekin Council had made over recent years had been evaluated. Members noted the success in areas such as cycle riding training in schools and colleges and installation of cycle lanes across the borough by joint working with property developers. It was highlighted that recent

Department for Transport published guidance on 'Local Cycling and Walking Infrastructure Plans, stated that whilst this approach was not mandatory, Local Authorities who had plans would be well placed to make the case for future investment. This strategy confirmed to the requirements of the LCWIP's subject to the development of a network plan which would be undertaken. The proposed Cycling and Walking Strategy had developed a framework of objectives to achieve the required increase in take up of these modes. The objectives and goals of the strategy were detailed in the report.

Telford & Wrekin Council would implement the Strategy and Action plan in close partnership with Parish and Town Councils; Enterprise Telford; Marches Local Enterprise Partnership; Shrewsbury and Telford Hospital NHS Trust and Telford & Wrekin Public Health; Shropshire Council; Telford and Wrekin Council for Voluntary Service; Shropshire Rural Communities Charity; Community Council of Shropshire and Cycle Experience along with any further organisations with an interest or expertise in the area. This strategy has been developed in a challenging funding environment, where the case for investment in sustainable travel initiatives must be made in the light of competing priorities. By adopting the Strategy the Council will be in a strong position to press for further funding for cycling and walking and to compete when further funding streams become available as well as maximise opportunities linked to Pride in Our Community and Telford's 50th Birthday.

The Liberal Democrat/Independent Group Leader fully welcomed the report and the funding that would be put in place to support the strategy. It was noted that it was important that this enabled access to further funding opportunities. It was noted that the strategy was aligned with the Health and Wellbeing priorities and it supported community resilience.

RESOLVED that-

- (a) the adoption of the new Cycling and Walking Strategy appended to the report be approved;**
- 2.2 support and participation in the successful delivery of the measures proposed in the new Cycling and Walking Strategy be noted.**

The meeting ended at 5.34pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 20 September 2017

Signed:
Date:

TELFORD & WREKIN COUNCIL**CABINET – 19 OCTOBER 2017
COUNCIL – 23 NOVEMBER 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 a very positive position, given that £13.8m savings were required to balance the 2017/18 budget, and currently leaves £4m uncommitted balance in the central contingency. Senior Managers will aim to sustain this position if possible, so that the one-off contingency benefit is available to support the medium term budget strategy. However, it is clearly still early in the year and potentially the Council could face significant financial pressures if, for example, the winter is particularly hard or if the NHS faces significant winter pressures.

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. The projections take into account the specific contingency of £2.5m earmarked in the 2017/18 budget strategy for Early Help & Support pressures and the £2.5m Improved Better Care Funding available.

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

- A benefit of £2.5m relating to Treasury Management activities - the majority of which relates to benefits from low interest rates for short term borrowing.
- Children's Safeguarding is a key pressure with an overspend of £2.4m being reported which is an increase of £1.4m since the last report. This mainly relates to the cost of placements for Looked after Children and the cost of social workers. 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 – the service is currently projecting an overspend of £0.9m mainly relating to the purchase of care packages.

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 £102.9m 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

Sales Ledger outstanding debt and Business Rates collection are ahead of targets set, while Council Tax collection is slightly behind target. Overall, the amount of cash collected is higher than at the same point last year. In total £2.3m 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;
- (iv) Grant delegated authority to the Managing Director, after consultation with the Cabinet Member for Finance, Commercial Services and Economic Development to apply for Business Rates pilot status jointly with one or more other councils if an acceptable business case is developed.

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 main changes since the last report are shown in the table below:

Variations - £m	Cabinet 13/7/17	Change	Current Projected Variation
Children in Care Placements – continued pressure relating to the cost of safeguarding vulnerable children.	+0.261	+1.164	+1.425
Early Help & Support – purchasing of all types of care to eligible clients net of income including Improved Better Care Fund grant.	+0.313	+1.149	+1.462
Business, Development & Employment – net position of Property Investment Portfolio and Services charges which includes the early delivery of income arising from the PIP Growth Fund investment.	0.000	-0.405	-0.405
Treasury Management – ongoing benefits arising from current low short-term interest rates and lower than anticipated borrowing requirement.	-2.300	-0.200	-2.500
Other Variations	+1.207	-0.643	+0.564
Total Projected Variation	-0.519	+1.065	+0.546
Use of Contingency			-0.546
Final Projected Variation			0.000

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

Service Area	Variation Cabinet 13 July 2017	Change	Current Variation
	£	£	£
Business, Development & Employment	0	(318,557)	(318,557)
Finance & HR	(2,300,000)	(434,657)	(2,734,657)
Cooperative Council Team	0	(147,704)	(147,704)
Children's Safeguarding	1,016,192	1,403,885	2,420,077
Education & Corporate Parenting	493,540	35,921	529,461
Early Help & Support	(0)	944,710	944,710
Governance, Procurement & Commissioning	210,020	(291,540)	(81,520)
Health & Wellbeing	36,079	(26,167)	9,912
Customer & Neighbourhood Services	0	28,887	28,887
Commercial Services	25,000	(129,506)	(104,506)
Total Projected Variation	(519,170)	1,065,272	546,103
Use of Contingency			(546,103)
Total Projected Underspend			0

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

Service Area	Variance £m
<u>Business, Development & Employment</u>	
Regeneration & Investment – net position relating to the Property Investment Portfolio & service charges which includes early delivery of income arising from Growth Fund Investment.	-0.404
<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.	-2.500
<u>Cooperative Council Team</u>	
There are no variations over £100k to report.	
<u>Children’s Safeguarding</u>	
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 an increase in looked after children numbers and types of placements and the latest projections in relation to delivery of savings for the year.	+1.425
Staffing (Safeguarding) – includes the cost of agency social workers which have reduced in line with the Cost Improvement Plan; the Service aims to remove all agency workers by the end of the calendar year.	+0.245
Legal – the overspend reflects an increase in the volume of activity.	+0.153
Assessments – the creation of an in house service offering mother and baby assessments has reduced the requirement for residential placements.	-0.100
Independent Review – the service has experienced difficulties recruiting to key posts which has resulted in the use of agency workers for a period of time.	+0.112

<p><u>Education & Corporate Parenting</u></p> <p>Specialist Services – saving target not fully met; a restructure will be undertaken by the new Assistant Director 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>+0.133</p> <p>+0.177</p> <p>+0.404</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. The monitoring reflects current estimates of savings to be delivered and is net of Improved Better Care Fund grant income of £2.5m.</p> <p>Community Early Help – employee related savings based on the current known structure.</p>	<p>+1.462</p> <p>-0.318</p>
<p><u>Governance, Procurement & Commissioning</u></p> <p>There are no variations over £100k to report.</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> <p>Engineering Service – vacant posts as detailed above.</p>	<p>+0.424</p> <p>-0.211</p>
<p><u>Commercial Services</u></p> <p>There are no variations over £100k to report.</p>	

5.0 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	0.546
Residual Balance	4.036

The current revenue position is a projected overspend of £0.5m which is a call on the contingency. This would leave £4m available to meet any unforeseen costs in the remainder of the year. Any underspend at the end of the year will support the budget strategy for 2018/19 and beyond. It should be noted that RPI was 3.9% in August 2017 from 2% in September 2016 showing an increasing trend over the past 11 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 HIGH NEEDS DEDICATED SCHOOLS GRANT EXPENDITURE

6.1 The Dedicated Schools Grant (DSG) is currently split into three blocks: Schools (mainstream school funding), high needs and early years. The schools and early years blocks are allocated based on the number of children recorded on censuses multiplied by a sum of money per child (different for each local authority). The high needs block is allocated based primarily on historic data, although this is planned to move to a more formulaic basis from 2018/19.

A fourth block, for central services is being created in 2018/19, by combining existing budgets into a new block. Despite its name, schools forum approval will be required for central expenditure from this block.

6.2 The main focus of financial concern at present is the high needs block. A number of factors have contributed to the pressures on High Needs and specifically post 16:

- The national trend is that more YP with complex/severe needs are entering and continuing in education, in part due to improvements in health care, and also higher parental expectations with consequent pressure on local provision as needs change.
- Connected with this trend, pupil numbers in T&W special schools are increasing sharply reflecting in part complexity of need and we are experiencing pressure on out of area placements
- TWC has traditionally been a high statementing area pre 16 (which, to date, has translated through to a high number of Education, Health & Care Plans (see below).
- The Children and Families Act of 2014 extended educational special needs support up to (potentially) 25 and this has contributed to a large increase in the cost of post 16 high needs.

6.3 In 2017/18 the budgeted amount to spend on High Needs comprises the allocation from the Dfe, a small underspend carried forward from last year and funding moved from the two other DSG blocks. The current High Needs Block monitoring position is shown below

	Budget	Variation
High Needs Monitoring Position	£m	£m
Net DSG Funding available after deduction of academy/post 16 posts directly funded by ESFA*	<u>19.9</u>	
Areas of Expenditure		
Special schools including Queensway	11.4	0.3
Residential & out of area provision pre & post 16	2.9	0.5
Education, Health & Care Plans / SEN statements	2	-0.2
Pupil Referral Units	0.7	
Post 16 Provision	0.6	0.4
Other (mainly LA services such as sensory inclusion, alternative provision, behaviour support, etc)	2.3	-0.2
Additional DSG cfwd from year end		-0.2
Total	<u>19.9</u>	<u>0.6</u>
*Education & Skills Funding Agency		

- 6.4 The new school funding regulations for 2018/19 both considerably restrict the amount that can now be moved between blocks and also now require annual approval from the Schools Forum in order to do this. The implication of this is that our ability to move significant sums to the high needs block from other blocks is likely to be curtailed. As a result, high needs pressures become a potentially significant problem for the LA from 2018/19 onwards.
- 6.5 Any overspend on DSG can be rolled forward to the following year to be funded from that year's allocation. The Government information on high needs as part of national funding changes showed an illustrative 2.8% increase for T&W's high needs block in 2018/19, amounting to £585,000. Whilst this is welcome, the additional grant could be needed to clear the 1718 overspend. This would leave a fundamental problem for 2018/19 and beyond, as the existing pattern of year on year expenditure increases shows little sign of abating and there is little apparent prospect of significant grant increases beyond 2018/19.
- 6.6 High Needs spending is influenced by various service areas across the Council; Education, Development, Business & Employment, Early Help & Support and Safeguarding. The CCG also has a role in relation to specialist placements and EHCPs.. The relevant ADs and their officers are actively involved in developing a Cost Improvement Plan to address the budget pressures identified above. This is likely to contain a number of strands, such as greater efforts to 'step down' children and

young people from expensive placements, encouraging a more inclusive approach from mainstream schools, better ‘gatekeeping’ at each level of the system and ensuring all provisions offer value for money.

7.0 **CAPITAL**

7.1 **2017/18 Capital Programme**

The capital programme totals £102.9m, 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 £101.2m.

Service Area	Current Budget	Spend to Date	% Spend	Year End Projection
	£m	£m		£m
Development Business & Employment	49.98	17.9	36	50.01
Customer & Neighbourhood Services	23.36	6.6	28	23.06
Education & Corporate Parenting	10.22	3.2	31	9.89
Early Help & Support	1.15	0	0	0.68
Health & Well-Being	0.39	0.2	61	0.39
Cooperative Council & Commercial Delivery	2.15	0	0	2.15
Governance Procurement & Commissioning	0.54	0	0	0.54
Finance & Human Resources	4.73	0.5	10	4.73
Commercial Services	10.36	3.0	29	9.80
Total	102.88	31.4	30	101.25

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

7.3 Telford & Wrekin Council have been successful in securing £6.3m of Government funding through the Marches LEP towards the £9.3m Newport Innovation & Enterprise package. The Newport Innovation & Enterprise package will create serviced employment land including an Enterprise and Science Park with direct links to the Harper Adams Centre for Innovation. It will attract investment from high tech businesses, stimulating complementary research and development activities and encouraging supply chain growth across a wide range of companies engaged in new agricultural technologies and with links to Telford’s strong advanced manufacturing sector.

In addition to the £6.3m LEP funding, an additional £3m will come from the Telford Land Deal, S106 contributions and the council’s approved highways capital programme. These new allocations are included within appendix 3, and it is recommended that Cabinet recommends to Full Council the approval of the necessary changes to the capital

programme. Should private sector investment not be secured, the Council will be required to make up this shortfall in funding – in accordance with commitments given in the funding bids.

8.0 **CORPORATE INCOME MONITORING**

8.1 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.

8.2 In summary, NNDR and sales ledger collection are above target, but council tax collection is slightly behind target. Cash collection has increased for all income streams compared to last year.

INCOME COLLECTION – August 2017				
	Actual	Target	Performance	Change in cash collected on last year
Council Tax Collection	46.61%	46.80%	0.19% behind target	+£1,886,542
NNDR Collection	50.36%	49.50%	0.86% ahead of target	+ £275,221
Sales Ledger Outstanding Debt	3.71%	6.00%	2.29% ahead of target	+£94,205

8.3 **Council Tax (£79.2m)**

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
46.80%	46.61%	46.75%

We have collected over £1.8m more in council tax this year compared to last year. Collection rates for council tax are 0.2% behind this point last year. Council Tax Support recipients are struggling more this year with a collection rate of 38.87% compared to 40.75% last year. Work

will commence to further promote the use of the CTS Hardship Fund over the forthcoming months.

8.4 **NNDR-Business Rates (£76.0m)**

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
49.50%	50.36%	49.51%

Business rates is 0.86% ahead of target, but collection rates tend to fluctuate throughout the year.

8.5 **Business Rates Pilot.**

The Department for Communities and Local Government is currently seeking applications from authorities to pilot 100% Business Rates Retention in 2018/19 and to pilot new pooling models. Discussions have commenced with Shropshire and Herefordshire Councils to assess whether submission of a joint business case could be beneficial to our areas. Clearly one of the key issues to consider in the development of a business case will be to understand the potential level of risk as well as gain from being a pilot and an option may be to seek a guarantee from Government in our bid that being a pilot cannot result in financial detriment. Such a clause has been accepted on previous pilots, however, it may be that Government will look more favourably on areas that are prepared to take a greater degree of risk.

The deadline for submission of business cases is Friday 27 October but assessing the potential financial implications and developing associated governance arrangements are complex issues which are still being discussed. Delegated authority to the Managing Director after consultation with the Cabinet Member for Finance, Commercial Services and Economic Development to apply for Business Rates pilot status jointly with one or more other councils if an acceptable business case can be developed is therefore requested in this report.

8.6 **Sales Ledger (£52.2m)**

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 %	August 2017	
		£m	%
Total	6.00	1,935	3.71%

Sales ledger performance is well within target, and work continues to collect the highest invoices which are outstanding.

9.0 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
13/07/17 – Cabinet, Service & Financial Planning Report – 2017/18
Financial Management Report

10.0 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	Variation Cabinet 13 July 2017	Change	Current Variation
	£	£	£
Business, Development & Employment	0	(318,557)	(318,557)
Finance & HR	(2,300,000)	(434,657)	(2,734,657)
Cooperative Council Team	0	(147,704)	(147,704)
Children's Safeguarding	1,016,192	1,403,885	2,420,077
Education & Corporate Parenting	493,540	35,921	529,461
Early Help & Support	(0)	944,710	944,710
Governance, Procurement & Commissioning	210,020	(291,540)	(81,520)
Health & Wellbeing	36,079	(26,167)	9,912
Customer & Neighbourhood Services	0	28,887	28,887
Commercial Services	25,000	(129,506)	(104,506)
Council Wide	0	0	0
Total Projected Variation	(519,170)	1,065,272	546,103
Use of Contingency			(546,103)
Total Projected Underspend			0

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
Skills	Post 16 Transport Income	(72,500)	60,000	Ongoing pressure from lost contribution from TCAT & New College. Pressure built into 18/19 savings proposals.
Regeneration & Investment	PIP & Service Charge net position	(5,160,680)	(404,727)	Net position of PIP & Service charges. Includes early delivery of income arising from PIP Growth Fund.
Development Management	Supplies & Services	5,830	94,170	Estimated Planning appeal costs, £36k incurred to date.
Variations Under £50k		-	(68,000)	One off vacancy management across Development Management.
Total Business, Development & Employment		(5,227,350)	(318,557)	
Finance & HR				
Treasury Management			(2,500,000)	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.
Revenues	Income	(982,240)	56,361	Shortfall in Legal Fees income, this is being projected in line with 2016/17 income levels.
Human Resources	Income	(1,274,870)	(67,055)	Additional income generated from external clients
Variations Under £50k			(223,963)	Mainly staffing underspends due to posts being held vacant pending restructure
Total Finance & HR			(2,734,657)	
Cooperative Council Team				
Community Engagement	Employees	584,582	(72,034)	Under spend from vacant post, pension and national insurance savings
Organisational Delivery & Planning	Employees	537,895	(98,270)	Under spends from reduced hours, staff not at top of grade, national insurance and pension savings
Variations Under £50k			22,600	
Total Cooperative Council Team		1,122,477	(147,704)	
Children's Safeguarding				

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Children in Care Placements		11,680,722	1,424,819	At the end of August, the Looked After Children number was 381. This is an increase of 6 children in the reporting period. The total number of Looked after Children total at the end of 2016/17 was 381. Considerable investment has been made in this area as part of the 2017/18 budget strategy and the Service has developed a 4 year placement model with the outcome to reduce the total number of placements. The monitoring position in previous reports has included a forecast saving based on the profile of the delivery of these targets for 2017/18. The increased projected variation on placements is because this assumption has been adjusted to reflect those savings with more certainty of delivery.
Staffing - Salaries		7,651,573	245,093	The variation includes a projected overspend of £0.9m against agency budgets which has been netted down by vacancies being carried across the service. The variation reflects a reduction in agency workers throughout the year in line with the Cost Improvement Plan which has been developed and implemented by the service. At the end of August there were 9 agency social workers in the CPFS Service, 1 within the Family Connect Service and 1 within the Fostering Service. A further 5 have been included in the projection to start in September for a period of 3 months to cover arising vacancies. The service has targeted to remove all agency workers by the end of the calendar year.
Foster Care expenses		7,382	74,406	The variation reflects an overspend against travel claims submitted by foster carers carrying out required duties.
Legal		243,193	153,000	The variation reflects an increase volume in activity (no. children on CIN and CP Plans) which has led to an increase in court fees and an increase in the use of external barristers.
Assessments		515,758	(100,000)	The variation reflects the creation of an in house service offering mother and baby assessments which has reduced the requirement for residential placements
Variations under £50,000		4,397,795	504,845	
Independent Review				
Staffing		488,364	112,323	The variation includes an overspend of £135k on agency. The service have experienced difficulties in recruiting to key posts and have employed 2 agency workers since April although they have recently recruited and the requirement for agency workers will end by mid December.
Variations under £50,000		348,960	5,591	
Total Children's Safeguarding		25,333,747	2,420,077	
Education & Corporate Parenting				

2017/18 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Specialist Services		581,885	132,720	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 which will take place now the new AD is in post.
Joint/Community Use		125,557	(65,320)	Additional income £20k and a reduction in general expenditure of £50k
Advisory management and school improvement traded Advisory Service		39,418	176,765	Following the movement of School Improvement consultants/advisors to the Teaching School alliance in 2016/17 there has been a material reduction in income for this service. This coupled with the increased income target (part of savings) has resulted in an underachievement of income. This has, in part, been offset by the use of a one off in year grant.
School Transport		2,583,361	404,312	The current year budget includes a £300k savings target - there is on going work in this area to meet this target.
Variations under £50,000		9,233,580	(119,016)	
Total Education & Corporate Parenting		12,563,801	529,461	
Early Help & Support				
Purchasing	Provision of all types of care to eligible clients	44,453,400	5,129,301	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 in previous reports has included a forecast saving based on the delivery of these targets for 2017/18. The increased projected variation on purchasing is because this assumption has been adjusted to reflect those savings with more certainty of delivery. A model is being developed with Senior Managers to forecast 5 year spending and income in comparison with anticipated resource. The model will include long term strategies and revise targets based on the latest intelligence available, and link to other strategic documents including forecasting demographic changes and interventions by the service to control demand and prices and deliver change.
Purchasing Income	income part/fully funding the above expenditure	(9,730,054)	(1,148,633)	Increased income projected due to higher levels of people being supported than previously modelled, this is linked to the increased costs above and is deducted to give a projected net variation
Grant income			(2,518,526)	This is the agreed application of ibcf funding

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Net Purchasing		34,723,346	1,462,142	
Community Safeguarding & Social Work	Employee or Employee related	2,633,806	(66,856)	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	(90,347)	Projections based on the current known structure costs and operating costs of the Business Support team
Community Early Help	Employee or Employee related	989,588	(318,210)	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		3,605,971	(42,019)	
Total Early Help & Support		44,099,334	944,710	
Governance, Procurement & Commissioning				
Strategic Procurement	Employee or Employee related	664,218	(93,430)	Vacant posts and a number of staff are not at the top of their payscale
Variations under £50,000		2,244,053	11,910	
Total Governance, Procurement & Commissioning		2,908,271	(81,520)	
Health & Wellbeing				
Coroners and Mortuary Services		256,450	54,555	Mortuary pricing schedule revision, inquest cost projected
Variations under £50,000		1,063,403	(44,643)	Variation due to a £31k underspend against Public Health grant. Consideration will need to be given as to where this grant is applied.
Total Health & Wellbeing		1,319,853	9,912	
Customer & Neighbourhood Services				
		Budget	Variation	

2017/18 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
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	Employees	965,540	(211,145)	Vacant posts. See comments below.
Highways & Engineering Service	Income	(1,630,300)	424,082	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. £150k was set aside in 2016/17 and is being used to support this, 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.
Public Realm	Employees	534,420	(77,619)	Under spend from vacant posts which are currently being recruited to.
Variations Under £50k			(10,399)	
Total Customer & Neighbourhood Services			28,887	
Commercial Services				
BiT - Variations Under £50k	BiT - NNDR	1,149,110	(104,506)	NNDR net saving across all Admin Building & Operational properties, this is after applying the cost associated with NNDR reviews. This position could change pending final notifications for a few other Operational properties.
Commercial Operations	Leisure Services	2,215,000	76,000	There are a number of Leisure sites which are performing better than anticipated. However, that is offset by an ongoing pressure at the Ice Rink, which continues to experience an ongoing downturn. Further work will be completed with customer engagement to understand the factors driving the downturn. We have also reviewed the marketing plan for the Ice Rink with the aim of increasing the frequency of visits by existing/past customers and developing the range of events and activities on offer to widen our customer base.
Variations Under £50k	Commercial Services	420,637	(76,000)	Other variations under £50k across other Commercial Service areas.
Total Commercial Services		3,784,747	(104,506)	
Council wide				
Total Council wide			0	

<u>2017/18 Revenue Budget Variations over £50,000</u>				
Description		Budget	Variation	Comments
		£	£	
Total Variations			546,103	

Capital Approvals - by Service Area

Appendix 3

Virements							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
Small scale regeneration projects	Development, Business & Employment	Pru	(150,000.00)				
Housing	Commercial Services	Pru	150,000.00				
HCA Land Deal	Development, Business & Employment	External	(850,000.00)	(150,000.00)			
Newport Innovation & Enterprise Package	Customer & Neighbourhood Services	External	850,000.00	150,000.00			
Total			0.00	0.00	0.00	0.00	

Slippage							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
LED Lighting Invest to Save	Customer & Neighbourhood Services	Pru	(685,389.40)	685,389.40			
Housing	Commercial Services	Pru	(709,027.25)	709,027.25			
Housing	Development Business & Employment	Pru	(2,000,000.00)	2,000,000.00			
Housing Company - Housing	Development Business & Employment	Pru		(5,600,000.00)	5,600,000.00		
HCA Liability Sites	Development Business & Employment	External	(4,000,000.00)	2,000,000.00	2,000,000.00		
Capital Receipts Site Prep	Development Business & Employment	Capital Receipts	(200,000.00)			200,000.00	
Managing the funding of the capital programme	Development Business & Employment	Capital Receipts	(300,000.00)	(200,000.00)	500,000.00		
Managing the funding of the capital programme	Development Business & Employment	Prudential	300,000.00	200,000.00	(500,000.00)		
Telford Growth package	Customer & Neighbourhood Services	External	(1,950,000.00)	1,950,000.00			
Town Centre Connectivity	Customer & Neighbourhood Services	External	(1,407,666.00)	1,407,666.00			
Highways & Bridges Capital Maintenance	Customer & Neighbourhood Services	Pru	(435,675.00)	435,675.00			
Integrated Transport	Customer & Neighbourhood Services	Grant	(70,000.00)	70,000.00			
Highways / Footpaths	Customer & Neighbourhood Services	Pru		3,000,000.00	(1,000,000.00)	(2,000,000.00)	
Newport Innovation & Enterprise Package	Customer & Neighbourhood Services	External	(850,000.00)	850,000.00			
Total			(12,307,757.65)	6,657,757.65	6,600,000.00	(1,800,000.00)	

New Allocations							
Scheme	Service Area	Funding Source	17/18 £	18/19 £	19/20 £	Later Yrs £	Comment
Highways & Bridges Capital Maintenance	Customer & Neighbourhood Services	External	1,695.00				
Intergrated Transport	Customer & Neighbourhood Services	Grant	1,205.87				
Freshwater First	Customer & Neighbourhood Services	Grant	12,930.00				
Freshwater First	Customer & Neighbourhood Services	Revenue	8,400.00				
Freshwater First	Customer & Neighbourhood Services	External	1,060.00				
Solar Farm	Commercial Services	Prudential	180,000.00				
All other School Schemes	Education & Corporate Parenting	External	1,253,562.75				
All other School Schemes	Education & Corporate Parenting	Grant	454,228.84				
Leisure - Capital Schemes	Commercial Services	Prudential	185,000.00				
All other School Schemes	Education & Corporate Parenting	External	583,594.55				
Land Deal Board Schemes	Development Business & Employment	External		1,000,000.00			
HCA Liability Sites	Development Business & Employment	External	4,000,000.00				
ICT/ eGov	Commercial Services	Revenue	45,000.00				
Asset Management Plan-General Works & Surveys	Commercial Services	External	79,526.05				
Newport Innovation & Enterprise Package	Customer & Neighbourhood Services	Grant	600,000.00	3,900,000.00	714,000.00	1,150,000.00	
Newport Innovation & Enterprise Package	Customer & Neighbourhood Services	External			1,493,000.00	407,000.00	
Total			7,406,203.06	4,900,000.00	2,207,000.00	1,557,000.00	

TELFORD & WREKIN COUNCIL

CABINET - 19 OCTOBER 2017

PRIDE IN OUR HIGH STREETS – SUPPORTING BUSINESS

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 The Borough's strategy for economic growth (Enterprise Telford), recognises the importance of our high streets and local centres. They are valuable assets that support strong local communities and many small businesses and a number are also important contributors to Telford's visitor economy.
- 1.2 Nationally high streets are under threat and experience has shown that the most successful high street regeneration schemes are the result of local action and small projects. That is why in 2015 the Council launched the Pride in Your High Street (PIYHS) Programme which to date has supported nearly 30 projects across the borough, investing some £800,000 matched by £400,000 in in kind and financial contributions from across the organisations delivering activity. Alongside projects to improve the attractiveness of the High Streets e.g. via façade improvements, painted shutters, directional signage, improvements to local focal points and communal spaces and the establishment of the Forge Wellington and the Wakes, Oakengates a programme of business support has engaged with a further 76 individual high Street businesses across the Borough. The programme is due for completion by March 2018
- 1.3 Despite the Council having to deliver £96m of ongoing savings in response to Government cuts, investing in our High Streets and local communities remains a priority and this report sets out proposals to invest a further £700k into the six high streets of Wellington, Ironbridge, Newport, Oakengates, Dawley and Madeley. This will focus on the findings of recent high street audit work that has shown targeting resources to address problems of empty retail premises and poor property condition will have the greatest impact to increase footfall, support local and new businesses and attract visitors – both local and from out of the borough.
- 1.4 These high streets are also the focus of the Young High Street Challenge, an exciting and complementary programme engaging young people in the revitalisation of our high streets which will launch in the Autumn and continue through to the end of 2018.
- 1.5 Alongside this targeted activity as part of the wider Community Pride programme, there will be further significant investment across all of our high streets and local centres to encourage growth. This will include continued investment into the physical environment, co-ordinated with wider Council programmes of enforcement and also with community and cultural events as part of Telford's 50th birthday celebrations, delivering support to all parts of the Borough.
- 1.6 The report sets out the initiatives that will be delivered by PIOHS, the eligibility criteria for each and also how we will support the branding and marketing of high streets to

make the most of the market role and potential of each high street and maximise the footfall from both the local and regional visitor markets.

2. RECOMMENDATIONS

- 2.1 That Cabinet agrees that Pride in Our High Streets is implemented as set out within this Report.
- 2.2 That delegated authority is given to the Assistant Director Business, Development & Employment in consultation with Assistant Director Finance & Human Resources and the Cabinet member for Finance and Service Delivery to approve grant funding packages as set out within this Report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	YES	The programme will contribute directly to the following priorities: -Protect and create jobs as a 'business supporting and business winning Council'. -Ensure that neighbourhoods are safe, clean and well-maintained. -Regenerate those neighbourhoods in need.
	Will the proposals impact on specific groups of people?	
	NO	By contributing to high street regeneration the programme has the potential to have a positive impact on a wide cross section of the community.
TARGET COMPLETION /DELIVERY DATE	The programme will deliver across the period December 2017 through to March 2019.	
FINANCIAL/ VALUE FOR MONEY IMPACT	YES	The Council's Service and Financial Planning Strategy 2017/18 to 2019/20 includes £700,000 revenue funding for Pride In Our High Streets Phase 2 of which £100,000 is already committed to Young High Street Challenge. Finance will support the Service Delivery Team as funding allocations are determined and advise on assessments and their terms as appropriate. DR 14/09/2017
LEGAL ISSUES	Yes	The Council has a number of powers available which enables it to carry out the recommendations contained in this report. 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>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 and advice will also be provided in respect of individual projects, if needed.</p> <p>Legal Services can provide a template Grant Agreement to assist in streamlining the process.</p> <p>EH 14/09/2017</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	NO	
IMPACT ON SPECIFIC WARDS	YES	The project will focus on 6 borough town high streets with the greatest potential to benefit from investment.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

4.1 The first phase of the PIYHS programme comprised two elements of funding that supported events and activities around high streets and local centres funding c.30 projects to increase footfall and achieve economic outcomes. Projects continue to be delivered with all projects envisaged to be complete by March 2018 at which point it is projected that projects will have benefited from c.£800,000 of Council funding and will have generated match funding through cash contributions and in kind activity of a further c.£400,000. The following section outlines just some of the success stories:-

Success to Date

4.2 In Dawley the focus has been on both the environment of the High Street and community spaces. Dawley Town Hall and Dawley House have had new kitchen facilities installed. This allows for more people to attend the Great Dawley Dinner and provides the community with a venue hire opportunity. A number of retail shutters have been professionally designed and painted making the high street a more attractive, welcoming and safer place to visit.



4.3 Newport invested in its Stafford Street Car Park, improving the lighting and CCTV. This provides a safer place to park when visiting and shopping in Newport. Newport still has projects to deliver to enhance the street scene with additional planters and wayfinding. The town also benefited from a significant fund to invest in new events

and in enhancing existing events – Facebook reflected the overwhelming success of the events with huge support for a repeat in future years.

- 4.4 Madeley renovated its War Memorial and this included extending the paving which has created a flow for pedestrians between Russells Square and Park Way and has helped with increasing footfall to the High Street.



- 4.5 Wellington has had an art mural trail created and The Forge Pop Up Shop has left a legacy of a permanent café/craft shop in Crown Street.
- 4.6 Oakengates have created a catering kitchen within the new Town Council The Wakes Building and The Forge has opened a permanent café within The Wakes. Oakengates Carnival was a huge success attracting over 10,000 people and creating a legacy of an annual event.
- 4.7 Other high streets have created or improved communal spaces with soft and hard landscaping (see below in Ironbridge) and invested into modernising public services on the High Street e.g. the investment into Donnington Library.



- 4.8 A series of business workshops delivered across the borough towns has supported 76 High Street businesses to develop their business plans, understand and engage with their customers and improve their brand and marketing. This has attracted both local and regional PR for the project and received a very positive response from businesses who benefited from the project:

"Couldn't be happier with the whole course and with Sally's dedication and delivering. I have learnt so much and know that Sally and Good2Great are, and will continue to be, a real asset to me and my business" (Deborah Reck, Wellington)

“The course has helped me improve on various business skills as I'm still relatively new to retail!” (Meg Prince, Ironbridge)

Pride in Our High Streets – Supporting Business

- 4.9 The projects above illustrate the value and impact of the Council's investment but also that there remain challenges and opportunities to make our High Streets stronger and more vibrant. High Streets nationally continue to be under threat from changes in household spending patterns, shopping culture and recreation trends. Spending on the accumulation of 'things' is dropping, with nationally between 2010 and 2014 weekly spending on clothes and footwear in the average household dropping while spending on recreation and culture rose by 16% and this trend is continuing. Meanwhile, on-line shopping is growing by more than 11% per annum and it is estimated that it will represent a fifth of all sales by 2020. To survive, it is being suggested that high streets must be a collection of 'experiences' where people can engage in social interaction through food and drink outlets, but also go for education and healthcare amongst other things.
- 4.10 Empty retail units and retail property condition are important indicators of the health of a high street. In 2016 a survey was conducted in each of the six borough town high streets (Wellington, Ironbridge, Newport, Oakengates, Dawley and Madeley) to identify the number of empty units and also identify where there were gaps in existing retail and service provision. This survey was repeated in June 2017 and the results are summarised in Appendix 1. This demonstrates that there has been an encouraging improvement in occupancy rates in three high streets (Madeley, Newport and Ironbridge), but that the number of empty units remain a concern in Oakengates, Wellington and Dawley. Across all of these high streets the condition of some retail premises remains a concern and a negative impact on the overall impression of the high street.
- 4.11 The findings indicate the greatest impact can be achieved by the next phase of PIOHS taking a focussed approach, concentrating additional resources where investment can have a strong and measureable impact on addressing problems of empty retail premises and poor property condition in order to increase footfall, support local businesses and attract visitors.

Community Pride Programme & High Street Regeneration

- 4.12 While it is proposed that the next phase of PIOHS will be targeted at the 6 Borough Town high streets, the Community Pride programme will deliver further investment across all our high streets and local centres to encourage growth. There will be continued investment in the physical environment including the road network and, structures such as bridges and retaining walls and street lighting as well as CCTV.
- 4.13 The Council is also considering the benefits of publicly available Wi-Fi for customers in our high streets; informed by high street surveys carried out to understand the demand and need for Wi-Fi over and above that already available through public buildings, retail outlets such as cafes and hot spots already in place through main providers such as BT Hotspots or Business Broadband available to retailers.
- 4.14 Physical improvements to all of our high streets and local centres will be complemented by community and cultural events as part of Telford's 50th birthday celebrations where there will be a focus on community capacity building and legacy projects.

Pride in Our High Streets – Supporting Business

- 4.15 PIOHS – Supporting Business - will comprise £700,000, incorporating £200,000 of underspend from the first programme. The importance of engaging more young people in revitalising and visiting our local high streets has already been identified and Cabinet has already approved the use of £100,000 of this funding to deliver the Young High Street Challenge.
- 4.16 The new programme will encompass specific areas for investment, detailed below. These will focus on encouraging new high street businesses to open, improving the appearance of retail premises in high streets and, together with the wider Pride programme, will create a strategy for improvement and growth. PIOHS will include the development of a clear marketing strategy for each high street that reflects its target customer market whether that is locals, borough wide shoppers and/or regional visitors.

Empty Unit Incentive Package

- 4.17 A number of successful high street regeneration initiatives (for example Whitchurch Wolverhampton, Bexley and Winchester) have created small, grant based packages to encourage the take up of empty retail units. The Empty Unit Incentive Package will be available in Wellington, Oakengates and Dawley where levels of empty retail properties are equal to or above national levels (average national levels 11%). Eligibility for the Package will first be assessed against the results of the 2017 retail survey to ensure that there is no duplication or displacement of existing retail or service activity. Applicants for the Package would then need to provide a business plan to demonstrate that they have thoroughly researched the need and demand for their product or service and also provide evidence of need for financial assistance. The Package would include:
- A grant to support start up revenue costs such as utility/phone connections and capital expenses such as internal shop refurbishment and fit out. The level of grant would be assessed based on a number of criteria including the size, condition and location of the business premises, with the highest level of grant being awarded to those businesses which would have the greatest impact on the high street and which would create local employment.
 - A business support package that would include support with business planning, financial management and marketing. This support package would be available through the Enterprise Telford Growth Hub and all new businesses would be eligible for support.
- 4.18 Where it would support high street regeneration and revitalisation, consideration would be given to awarding grant support to bring property above shops back into use and also for the conversion of retail into residential where there is a clear over provision of retail property.
- 4.19 It is anticipated that grants will range from a minimum of £2,000 to a maximum of £10,000, although it is recommended that there should be flexibility to increase this level to support a significant investment or property conversion in a key location. All applications will undergo a due diligence check by the Council's finance and legal teams before applications are approved by the Cabinet Lead Member and Assistant Directors for Finance and Business, Development & Employment. All grants will be subject to the signing of a formal Grant Agreement.

Property Façade Improvement

- 4.20 Experience has shown that contributory grants for commercial property improvements suffer from poor take up, particularly from retail premises. This is often because retail premises are tenanted and landlords are frequently based elsewhere in the UK or overseas.
- 4.21 High Street regeneration schemes across the UK show that solutions such as the use of colour in the high street and of green space create an impression of safe and open streets and can have a significant impact on economic performance. The appearance of high streets can be radically improved by simple solutions.
- 4.22 The Property Façade Improvement scheme would be open to all 6 key borough town high streets of Newport, Ironbridge, Madeley, Wellington, Dawley and Oakengates. Eligible properties would lie within a defined area which would encompass the primary shopping areas as defined in the Telford & Wrekin Local Plan and agreed with the Town/Parish Councils.
- 4.23 Priority would be given to occupied premises, however empty premises will also be considered where these have a realistic prospect of occupation and are in a key location. The Council's Estates & Investments team will play an advisory role in assessing property eligibility.
- 4.24 There would be a simple enquiry/application process. Where a tenant is applying, they will have to provide evidence that they have the agreement of the property owner. The Council will also work with the Town/Parish Councils to identify premises that will be proactively targeted for the scheme.
- 4.25 The design, contracting and delivery of facade improvements will be overseen by the Council's biT architecture and design service and a simple form of agreement will need to be signed by the property owner. The biT service will design a range of façade styles in keeping with the style of the local high street and taking into account any special status such as a conservation zone. Facades can then be tailored to allow for any specific business branding. Owners of empty properties will also be encouraged to window dress unused retail spaces or to make them available to services, local attractions or Town/Parish Council to promote local events.
- 4.26 A cap of £10,000 would apply to any property façade improvement with the level of grant depending on the age, condition and size of the property. However there would be flexibility to increase the level of grant where a property is in a prominent or key location with a significant impact on the attractiveness of the high street. All façade improvements will need to be approved by the lead Cabinet Member and the Assistant Director, Business, Development & Employment.

High Street Marketing & Promotion Strategies

- 4.27 How a high street is perceived and how it markets itself to both locals, the wider Telford area and to regional visitors can have a strong impact on visitor numbers and economic growth. As part of the PIOHS programme, support will be offered to each Town/Parish Council representing the 6 key high street areas to help develop a branding and marketing strategy for their high street. This could include development of a brand identity, support to look at websites, use of social media and on-line retail and how to make the most of events programmes and opportunities created by local markets and other assets.

- 4.28 This opportunity will be open to Town/Parish Council's (who can engage with relevant local groups if they wish). The offer will include support from the Discover Telford team and from external marketing professionals who will help to profile and package the offer of each high street and to identify its potential customer base. This will be timely given the opportunities available to Town/Parish Councils for local celebrations of Telford's 50th anniversary.
- 4.29 The support will take the form of workshops as well as one to one support and the opportunity to secure dedicated pages on the Discover Telford website.

Timescales

After Cabinet approval it is intended to initiate engagement with the Parish & Town Councils and publicise the bid documents through innovative media channels. Delivery of the projects will be phased and will commence early in 2018 and all phases will be completed in 2020.

IMPACT ASSESSMENT – ADDITIONAL INFORMATION - None

5 PREVIOUS MINUTES

Cabinet 29th June 2017 Young High Street Challenge

Cabinet 13th July 2017 Investing in Telford @ 50

**Report prepared by Kathy Mulholland, Inward Investment and Business Support
Service Delivery Manager 01952 567572**

Appendix 1: High Street Statistics for Empty Retail Premises

The table below compares the number of retail units and empty retail units in our High Streets in 2015 and 2017.

The average level of empty retail units for England (September 2017) was 11%.

Town	Number of Retail Units - 2015	Number of Empty Units - 2015	Percentage of Empty Units - 2015	Number of Retail Units - 2017	Number of Empty Units - 2017	Percentage of Empty Units - 2017
Wellington	208	26	12.5%	216	25	11.57%
Ironbridge	44	3	6.8%	66*	5	7.57%
Oakengates	120	14	11.7%	123	14	11.38%
Dawley	56	8	14.3%	56	7	12.5%
Newport	184	10	5.4%	190	6	3.16%
Madeley	67	13	19.4%	76	5	6.58%
Totals	679	74	Average across the Borough = 11.68% units are empty	727	62	Average across the Borough = 8.79% units are empty**

*significant increase in premises subsequent to the opening of the Co-Operative store on the Wharfage

**average national (England) level of empty retail premises 11% as at September 2017