

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Monday, 9th February, 2009 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON FRIDAY, 13th FEBRUARY, 2009

(DEADLINE FOR CALL-IN WEDNESDAY, 18th FEBRUARY, 2009)

PRESENT: Councillors A.J. Eade (Chairman), S. Bentley, S.P. Burrell, E.J. Carter, M.B. Hosken, A. Lawrence and J.M. Seymour

ALSO PRESENT:

Councillor S.M.Kelly (Cabinet Assistant: Performance Champion)
Councillors R.K. Austin, G.M. Green, W.L. Tomlinson and V. Tonks
(Opposition Group Leaders);

CB-136 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 26th January, 2009 be confirmed and signed by the Chairman.

CB-137 APOLOGIES FOR ABSENCE

None – as all Members present

CB-138 DECLARATIONS OF INTEREST

None.

CB-139 OVERVIEW OF SERVICE, FINANCIAL & RISK PERFORMANCE OUTTURNS AT 8 MONTHS 2008/09

Councillors A. Lawrence (Cabinet Member: Resources) and S.M.Kelly (Cabinet Assistant: Performance), presented the joint report of the Head of Policy, Performance & Partnership and the Head of Finance which summarised the service, financial and risk management performance at both corporate and portfolio levels at the eight month point in 2008/09. Attached to the report were two further reports that looked in more detail at the financial & performance outturns.

Overall spend was currently projected to be within budget at end of year. That included £1.2m benefit from Treasury Management, which was being used partly to support service delivery and also provided the opportunity to set aside at least £0.7m towards the £1m additional contingency required in the 2009/10 budget strategy.

Messages on service and financial performance were summarised in the individual reports. Bringing together that information (where it was available) showed how the Council was performing against the statutory performance

indicators and local indicators, while at the same time controlling spending, managing risk, and achieving value for money for local people.

a) 2008/09 Financial Monitoring

Key Decision identified as **Financial Monitoring and Financial Updates** in the Forward Plan published on 15th January 2009.

The report of the Head of Finance provided Members with the latest Revenue Budget and Capital Monitoring information for 2008/09.

The gross revenue budget for 2008/09 was over £367m - net budget for reporting purposes just over £118m. Current projections showed spend within budget however that was only after taking into account the unused element of the budgeted contingency and benefits from reduced insurance premiums. There was also a significant benefit in 2008/09 from treasury activities which provided the opportunity to set aside at least £0.700m towards the creation of an additional contingency as part of the 2009/10 budget strategy.

Service pressures were evident and the economic downturn, inflation and instability in financial markets had all impacted on the projected position. Additional recessionary impacts were emerging which would affect 2009/10 budgets.

Costs pressures relating to the provision of Specialist Education had significantly risen since the last report, with an overspend of £0.660m being reported. The Portfolio had increased the use of one-off funds to cover that in 2008/09. If the trend continued, there was an ongoing, unfunded pressure in 2009/10 which CYP would have to contend with.

Cost pressures from Children & Families (Looked After Children), which significantly overspent in 2007/08, were now showing an overspend of £0.373m. There had been some reduction in Leaving Care costs but additional pressures in relation to Foster Care provision – other areas were still being controlled within budget. The position was being closely monitored and was only being mitigated by the Portfolio's use of one-off balances in the short-term. Other key areas which would require close monitoring were the increasing impact of using B&B accommodation for homelessness cases, rising ALD/Mental Health purchasing/care costs plus the general impact of inflation across the Council's budget including the possibility of wage settlements exceeding the budgeted 2.5% provision.

It was also important to control the build up of continuing commitments against the central contingency. As commitments build up, the contingency that the Council would carry for future years reduced just when arguably more was needed.

The approved 2008/09 capital programme totalled £79.583m. A number of new allocations and slippage would go forward to Council for formal approval. Spend was £43.5m (55%). The key area of concern was the combined £25m

dependency of the Railfreight and Borough Towns Initiative programmes on property disposal in an environment of falling prices and reducing economic activity from planned levels. A review of the overall programme and funding was underway.

Council Tax collection to date (£57m to collect for the year) was ahead of the current year's target and performance at the same time last year. Collection performance for Business Rates (£64m) and sales ledger income (£44m) were showing slightly below target, potentially indicating early impacts from the economic downturn which could well affect council tax collection as well as the year progresses.

The target set for the payment of invoices within 30 days was 97%. Year to date figures showed that overall the Council was meeting that target. Children & Young People portfolio was below target at 95%.

During an extensive debate, Members commented upon the financial pressures placed upon the council in the current economic climate but commended the investments planned for children & young people in the Borough.

RESOLVED -

- (a) that the specific issues highlighted that require management action to ensure the Council spends within budget for 2008/09 and agree the proposed use of the contingency detailed at paragraph 5.4 of the report be noted.**
- (b) TO RECOMMEND TO FULL COUNCIL that the new capital allocations, virements and slippage detailed in Appendix III of the report be approved.**
- (c) that the performance against income targets be noted.**
- (d) that the invoice payment performance; and management action where required to meet the 97% target and sustain top quartile performance; be noted.**

b) Performance Management – Analysis at 8 months 2008/09

Non-Key Decision

The report before Members aimed to analyse performance against the Council's priorities at the 8 months point in 2008/09. It also set out the final position regarding the Council's performance compared with other authorities in 2007/08.

The report updated Members on the external audit of Data Quality in 2008 and the latest work done by internal audit on data quality.

The 2007/08 national comparisons had just been published, and the Council's position in relation to other Councils against the statutory BVPI and PAF indicators did not improve in 2007/08, particularly our rate of improvement from the previous year. We still had the same number of PIs in best quartile position as last year (but a lower proportion), and we have slightly more PIs in worst quartile position than last year (but the same proportion). The Council still performed significantly better than the single tier average in relation to the proportion of PIs in worst quartile position.

Currently, the Council was projecting to achieve 73% of targets set out in the Priority Plans for 2008/09, and 68% of targets in LAA2. That was relatively positive and there were many examples of performance improvement and achievement of targets at 8 months.

The Council did not have current data against 33% of indicators in the Priority Plans, (at half year 50% of data was unavailable). The incomplete data was due to the new national framework which was in place from April 2008 and the new indicators and targets in the Priority Plans which were introduced at the same time.

Every effort was being made to fill gaps in data where possible. Where data was not available, it was necessary to establish reasons for that and make every effort to assess progress, while there was still time to take remedial action, if necessary, before the end of year.

Where projected targets would not be met at end of year, it was necessary to make every effort to target improvement where a difference could be made before the end of the year (March).

The recent external audit by KPMG of the Council's approach to data quality for performance information was very positive, although there were some areas for improvement. That fed into the Use of Resources assessment for CPA in 2008.

RESOLVED –

- a) that Portfolios consider the position of their services in relation to other authorities in 2007/08, and ensure the information is used for informing target setting as part of the business planning and Priority Plan refresh process that is taking place**
- (b) that Portfolios review the indicators that are in the Council's basket of "high risk" indicators now that we have the latest comparative information.**
- (c) that performance at 8 months is understood and proactively managed and that portfolios look at where improvements in performance can be made by the end of the year.**

- (d) that where there are still gaps in performance data at 8 months, portfolios are asked to look at the indicators to establish the reasons for this and to ensure that satisfactory progress is being made.

CB-140 REPRESENTATION ON OUTSIDE BODIES 2008/09

Non-Key Decision

The report of the Head of Audit & Democracy requested Cabinet to appoint replacement representatives to the Granville Country Park Management Committee and to the Park Lane Centre Management Company.

Councillor Denis Allen was appointed to the Granville Country Park Management Committee by Cabinet on 16th June, 2008. Councillor Allen had resigned from his position on the Management Committee, and a replacement representative was therefore sought.

Councillor George Ashcroft was appointed (as the Conservative Group's nominee) to the Park Lane Centre Management Company by Cabinet on 16th June, 2008. Following his resignation from the Conservative Group, a replacement was sought. The Member appointed to that organisation would become a Director of the Company.

RESOLVED –

- (a) that Councillor N. Dugmore be confirmed as the Council's representative on the Granville Countryside Management Committee for the remainder of the municipal year 2008-09.
- (b) that Councillor E.J. Carter be confirmed as the Council's representative on the Park Lane Centre Management Company (as a Director) for the remainder of the municipal year 2008-09.

CB-141 URGENT ITEM – PART 4, SECTION 5 OF THE CONSTITUTION.

With the agreement of the Chairman of the Scrutiny Leadership Board, in accordance with paragraph 18 (a) and (b) of Section 5 of Part 4 (Rules of Procedure) of the Constitution, Urgent Decision not subject to Call-In; the Chairman of the meeting made the following statement:

“I am of the opinion that the following item of business should be dealt with as a matter of urgency at this meeting in order to avoid any delay that would seriously prejudice the Council's interests”.

CB-142 WINTER MAINTENANCE UPDATE

Key Decision not in the Forward Plan (taken with the consent of the Chairman of the Scrutiny Leadership Board, in accordance with paragraph 2.7 of the Cabinet Decision Procedure Rules as set out in Part 4, Section 4 of the Constitution).

Members were informed that as a consequence of the current inclement winter weather conditions, the Council was experiencing a severe depletion of its road gritting/salt reserves.

More snow was forecast to fall in the Borough and reserves of road grit would only last for a few more days. Replacement supplies had been requested but in light of national & regional shortages central government is now coordinating all rock salt distribution on a priority needs basis across the country.

It was therefore proposed to restructure the schedule of priority roads to be gritted and a revised plan of the A and B Roads to be routinely gritted, together with accesses from ambulance, fire and police stations was presented.

Under the variation of the winter maintenance policy, the Council would be unable to grit many estate roads, routes to schools and footpaths.

In accepting the situation that presented itself to the Council, Councillor M.B.Hosken, Cabinet Member for the Environment wished to place on record the Cabinet's thanks to those appropriate Council staff, including the Grit Lorry drivers, who had worked diligently in adverse conditions to ensure the safety of residents and drivers in the Borough.

RESOLVED -

- (a) **That the use, by the Chief Executive, of his Powers of Urgency (in accordance with the Council's Constitution) on 6th February 2009 to authorise the derogation from the Winter Maintenance Policy approved by the Cabinet on 18th September 2006 be noted and endorsed.**
- (b) **That the variation of the Winter Maintenance policy to allow the Head of Mobility & Development, after consultation with the Cabinet Member for Environment, to vary the Winter Maintenance Service in exceptional circumstances, be approved.**

CB-143 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB-144 TELFORD TOWN CENTRE AND SOUTHWATER REGENERATION

Key Decision identified as **Telford Town Centre** in the Forward Plan published on 15th January 2009.

Councillor E.J.Carter, Cabinet Member for Regeneration, presented the report of the Head of Asset & Property Management that outlined a development scheme to support the delivery of the regeneration of Telford Town Centre with Public and Private Sector partners

The regeneration of Telford Town Centre was a key priority for the Council, its partners and the region. The regeneration would underpin and support growth, stimulate and attract investment in the Borough and create a Town Centre responding to the needs of the community. The report sought approval to the structure of the public sector partnership which would help to deliver the vision for the Borough.

The absence of a vibrant, mixed use Town Centre had been identified as a significant constraint to the growth and prosperity of the Borough of Telford.

The Homes and Communities Agency (HCA), working with Advantage West Midlands (AWM), Transforming Telford (TT) and Telford and Wrekin Council (T&WC), appointed consultants (Amion) to prepare the economic case to assess investment in Telford Town Centre. The investment they recommended took the form of a Strategic Investment and Infrastructure Fund (SIIF). The SIIF was detailed further in appendix 3 of the report. The SIIF would provide infrastructure, public realm, land assembly as detailed in Section 5.4 and Appendix 6 of the report

The total public sector funding for the Town Centre was explained to Members and the development of the SIIF allowed for a three way split of contributions between the Public Sector Partners, HCA, AWM and T&WC. The Council's financial contribution would be matched by both AWM and HCA , subject to their Board approval.

The public sector contribution included: (detailed in Appendix 6 of the report):

- New Media & Learning Centre which included a replacement library
- Public Realm within Southwater Core area to include Southwater Square
- Greyhound Link connecting the A442 to the M54
- The Forge Roundabout improvements
- Works to improve utilities and ground remediation in Southwater Core area
- Replacement of Meeting Point House
- Land assembly in Southwater Core Area - purchase of Bowling/Bingo building
- Improvements to pedestrian link between Telford Railway Station and Southwater

- Removal of all HCA covenants and 'Claw back' provision relating to Southwater

Key Project objectives for the Public Sector Partners relating to the investment were:

- To facilitate major housing, employment, retail, leisure and community development
- To enhance the Town Centre to create a focal point for the growth of the Borough
- To promote the transformation of the urban area from a zoned use approach (Residential only or retail only) which is a characteristic of new towns to an area with a diverse mix of uses
- To improve the quality and urban design of the Town Centre through the provision of a high quality public realm and other works so that it creates an attractive and strong local and regional identity.

Members considered the proposals to be an exciting commencement of the regeneration of the Southwater area of the Telford Town Centre.

RESOLVED - for the reasons detailed in the report and having considered those against the objectives and priorities contained in the Council's Community Strategy, Cabinet considered and accepted that the recommendations would achieve the promotion or improvement of the economic, social and environmental well being of the area and that it should exercise its powers under Section 2 in this regard :-

- (a) that the proposal for a Strategic Infrastructure and Investment Fund (SIIF) as detailed in Appendix 3 of the report, subject to negotiation of a satisfactory Funding Agreement and subject to future consideration and approval of a planning contributions document be approved;
- (b) that Delegated Authority be granted to the Head of Asset & Property Management to enter into a Memorandum of Understanding and a Collaboration Agreement with Public and Private Sector partners as detailed in Section 8.0 and Appendix 4 of the report;
- (c) that the development of a Planning contributions document for the Borough as included in Section 5.6 of the report be approved;
- (d) that agreement be given to give priority to the investment in the regeneration of the Town Centre when considering the future budget strategy for the Authority.

The meeting ended at 5.57 p.m.

Signed for the purposes of the Decision Notices

Ken Clarke
Head of Audit & Democracy
Date: 13th February 2009

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET - 23rd FEBRUARY 2009

SERVICE & FINANCIAL PLANNING: 2009/10 – 2011/12-OVERVIEW & REVENUE BUDGET

REPORT OF THE CHIEF EXECUTIVE & CORPORATE DIRECTOR: RESOURCES

1.0 PURPOSE

To approve a Service & Financial Planning strategy for the period 2009/10-2011/12 including specific budget proposals for 2009/10.

2.0 RECOMMENDATIONS

Members are asked to recommend the following proposals for approval by 5th March Council.

Members are asked to approve the following recommendations to 5th March Council :

- **The Base Budget summarised in Appendix 1**
- **The Investment Programme and its funding outlined in Appendix 3**
- **The 2009/10 Savings Package of £3.8m in Appendix 5 plus £0.35m in Education services with an outline target of at least £6.4m additional savings over the 2010/11 and 2011/12 period;**
- **The Education budget strategy in paragraph 5.7**
- **Using £0.95m balances to support the ongoing revenue budget plus the associated policy for Reserves and Balances in appendix 6 .**
- **The creation of an additional £1m one off contingency funded from Treasury Management savings to be set aside in 2008/09;**
- **The Statement of the Chief Finance Officer in paragraph 5.8(supported by appendix 6 outlining the Robustness of Budget Estimates and Adequacy of Reserves);**
- **The policy framework for Reserves outlined in appendix 6C**
- **A Council Tax increase of 2.5%-a rise of just under 40p per week on the average bill for this Council's services .Future increases will also be held at this level for the 3 year planning period ,subject to the impact of the next 3 year grant settlement starting in 2011/12 .**

3.0 SUMMARY

3.1 BACKGROUND

This report along with the following papers on the agenda covering

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

form the overall Medium Term Service & Financial Planning framework for the Council and propose the service priorities and budget for 2009/10. The report outlines the wide variety of challenges facing the area particularly from the deepening recession ,where the Council and its partners must look to take the lead on behalf of the people and businesses of the area.

3.2 UPDATED POSITION

Given the unprecedented financial and economic situation still unfolding then ,as flagged back in December ,the Council has been reviewing its budget assumptions in the last few weeks to ensure that the budget for next year and medium term strategy up to March 2012 are based on the most up to date information available.

This has led to changes in a number of areas including :

- Treasury Management-investment income and borrowing projections have been updated to take account of changing interest rates and restructuring opportunities .We have also taken the opportunity to review the options provided by changes to regulations around capital accounting arrangements announced for 2008/09 .
- Income projections-this covers both revenue and capital income streams .Adjustments have been made to both base budget and the savings package to take account of the pressure on revenue income .At the same time additional prudential borrowing coupled with the new capital accounting arrangements and borrowing restructures ,have given flexibility to accommodate delays on capital receipts and allow key schemes such as the Borough Towns Initiative to continue and give a boost to the local economy.
- Inflation-the base budget was being compiled while inflation trends were peaking in the Autumn so assumptions have now been revisited to take account of the recessionary impacts driving inflation down.
- Credit Crunch response-a range of initiatives to help local people is being developed for the next 12 months including a one stop advice centre and piloting changes to concessionary fares hours of availability.
- Leegomery centre redevelopment scheme-approved by Cabinet in January but not in the original proposals in December

Taking account of all these changes actually nets down to a 3 year financial projection only marginally different from that in the 8th December strategy papers. .:

3.3 PROPOSALS

Members have considered the responses to their consultation process as well as updating budget assumptions with the latest information available in this period of rapid deterioration in the economy and looking at what initiatives the Council can lead to help local people and businesses .The resulting strategy proposals are

- Confirmation of the second year of the 3 year Investment Programme which invests a further £16m in infrastructure projects and £1.7m in services including Adult and Children's social services and Credit Crunch initiatives.
- A general savings package of £3.8m for 2009/10 plus a further £0.35m in Education services ,and target of at least £6.4m for the 2010/11 to 2011/12

- period
- Use of £0.95m balances to support the ongoing net budget in 2009/10
- An additional contingency for 2009/10 funded from the surplus generated by Treasury Management operations in 2008/09
- A council tax increase of 2.5% for 2009/10 and subsequent years in this planning period ,subject to the impact of the new 3 year grant settlement due for 2011/12 .

The summary below reflects the 2009/10 proposals,3 year savings targets and an investment programme which at present only runs to 2010/11 but will be reviewed as part of the 2010/11process starting very soon .

	2009/10	2010/11	2011/12
	£m	£m	£m
Shortfall b/f	1.23	6.08	10.33
Annual funding requirement including 3 year investment package -2008/09 to 2010/11	4.85	4.25	4.90
Cumulative funding requirement prior to tax rise and savings decisions	6.08	10.33	15.23
Funded by:			
Savings	(3.80)	(7.00)	(10.20)
Council tax increase of 2.5%pa	(1.33)	(2.69)	(4.08)
Use of Balances	(0.95)	(0.64)	(0.95)
Funding Package	(6.08)	(10.33)	(15.23)

4.0 **SERVICE & FINANCIAL PLANNING CONTEXT**

4.1 **STRATEGIC & POLICY CONTEXT**

For any organisation to be effective and successful, it must ensure that its resources are planned and managed well. The Council's Service and Financial Planning process is the key way in which we bring together our assessment of key issues and risks, the community's needs and expectations, local, national and regional policy drivers and opportunities, other service issues and pressures and service performance information alongside the revenue and capital resources that are available to us.

4.1.1 In undertaking our service and financial process through 2008/09, our starting point has been:

a) **The delivery of the LSP's Community Priorities**

The Council, as a member of the Local Strategic Partnership (LSP), is fully committed to the realisation of the vision of "a successful, prosperous and healthy community which offers a good quality of life for all the people of Telford & Wrekin", and the achievement of the Community Priorities which underpin this vision. The Council also supports fully the long-term ambitions for the Borough which are set out in Vision 2026 and is committed to the key

performance targets in the Local Area Agreement.

b) **The Council's current Corporate Strategy**

In March 2008, members agreed a three-year service and financial strategy. Its main aims were to maintain and, where possible, improve front-line delivery in priority service areas and also to fund projects and schemes which are fundamental to the long-term sustainability, viability and success of the Borough overall.

4.1.2 In putting in place our service and financial strategy last year, we were very clear that the Council was facing a difficult 3 years with many competing demands on our resources. The declining national and international economic position – and, in particular, the speed, diversity and volatility of the challenges it presents – has exacerbated this position. Our approach has always been to review our corporate strategy on an annual basis and current events have only served to heighten the importance of this review process.

4.1.3 As reported to Cabinet on 8 December 2008, we have gone through an extensive process over the past six months to ensure that our strategy remains up-to-date and fit-for-purpose.

Understanding Key Issues & Challenges

4.1.4 From our review of needs and key issues in the Borough alongside our current corporate strategy and policy framework, five issues have emerged clearly as the key focuses for attention:

- The need to ensure the on-going effective delivery of care and safeguarding services for vulnerable children and adults;
- Addressing and seeking to mitigate the effects of the current economic and housing downturn/'credit crunch';
- Linked to the issue above, the need to find ways to resource existing capital investment commitments, such as the Borough Towns Initiative, which were originally predicated on the short to medium-term realisation of receipts from land sales which are currently unlikely to happen for some time in the now economic climate;
- Review existing service budgets to explore and identify ways to realise significant efficiency and other cost savings that we need in order to support priority investments, retain a sustainable Budget Strategy and minimise Council Tax increases;
- The Cabinet was also asked, following a resolution from Full Council, to include as part of its consultations on developing the Budget consideration of the option of extending the current concessionary travel scheme.

A. Care & Safeguarding Services for Vulnerable Children and Adults

4.1.5 As indicated above, we identified 'protecting and maintaining services for older people and vulnerable adults and children' as one of our key priority policy objectives last year. This is an area where demographic pressures, the rising cost of care packages and the complexity of care packages place significant demands on our resources. There is also a national shortage of appropriately qualified and experienced staff and resulting vacancies can place additional pressures on service delivery. These are

vital services where we, particularly in relation to safeguarding our most vulnerable children and adults, must be constantly vigilant – the tragic case of ‘Baby P’ in Haringey underlines this. The profile and importance of this issue is also reflected in the feedback we have received from our consultations. We must continue to be consistent in the planning, delivery and resourcing of these services and are looking where possible, to further improve our performance in key areas.

B. Economic/ Housing Downturn

- 4.1.6 The current economic and housing downturn is an issue of fundamental importance that has emerged much more profoundly in the past few months. There is a clear message from the Government – and internationally – that the public sector, at this time, needs to lead and show confidence particularly in relation to capital investment. The impacts and implications of the downturn are wide across the community and our priorities and services and seem likely to manifest themselves for a least the remainder of our medium-term planning period. These already include increasing levels of unemployment (with disproportionate increases in male unemployment and unemployment in certain wards) and benefits claimants, increase in short time working and temporary lay-offs, particularly in the manufacturing sector, cessation of major new-build housing developments, a relatively stagnant local housing market and decline in inward investment enquiries. Clearly, also, we must be very mindful of the growing financial pressure that households are and feel under when determining our Budget Strategy and the level of Council Tax increase.
- 4.1.7 In terms of our current strategy, we have put ourselves in a good position through the emphasis that we have already placed in our priorities on securing economic prosperity, increasing skills, regeneration and seeking to attract investment in the necessary infrastructure and facilities through planned and sustainable growth. The work that we are progressing in relation to strengthening our economic development capacity, progressing the development of Town Centre and regeneration of the Borough Towns and key targets in our Local Area Agreement (though many of these will prove even more challenging to achieve in the current conditions) are essential elements of delivering future success.
- 4.1.8 Our work in the West Midlands region and through the City Region are also important e.g. through the City Strategy we have secured c.£350k to help train and get into work unemployed people and those claiming benefits in some of our deprived wards.
- 4.1.9 An issue which our review work has identified as needing to be raised further up our list of priorities is in relation to Housing and the heightened concerns/priority given to this by local people can be seen clearly in the feedback that we have received during our consultations. The Cabinet has recommended that the Local Strategic Partnership adopt a new priority, within its Community Strategy, relating to ‘securing affordable, accessible and sustainable housing’. This will be considered by the LSP at its meeting on 18 March 2009. It is felt that this proposal will act as a clearer policy driver and, through the development of a Priority Plan, help to inform strategic investment and resourcing decisions and bring greater clarity and focus to our and partners’ work to stimulate and support the local housing market (both public and private), address homelessness concerns and link more closely housing market development, growth and regeneration.

C. Resourcing our Existing Capital Commitments

4.1.10 This is addressed in the 'Financial Context' section of the report. A particular issue which we identified through our planning process has been the need to commit investment to Leegomery Local Centre to ensure the replacement of the Listen & Care facility and new local shops. In July 2006, the centre suffered a major fire which destroyed the supermarket and chemist shops. A major proposal was developed, consulted on and agreed which would significantly enhance facilities in the area and would include residential development to support the funding of the shops and a private developer contracted to carry out the works. However, in October 2008, contractual difficulties resulted in the contract being negated, the Council has taken the decision to fund the replacement of the shops and to rebuild them as soon as possible.

D. Delivering Efficiencies and Other Cost Savings

4.1.11 Through our planning process, we have sought to identify, as a minimum, a package of efficiencies and cost reductions which totalled some £3m. In identifying these, we have sought to risk assess each proposal to ensure that it does not conflict with our budget guiding principles and impact significantly on our priorities. We are also embarking on a programme of major reviews of key service areas to begin work on identifying efficiencies and savings for 2010/11 and beyond.

E. Concessionary Travel

4.1.12 The Council's Cabinet has been asked to seek the views of the community about funding the extension of the current concessionary travel scheme. At present, funding has been allocated for local residents aged over 60 and certain other groups to travel free on local bus services between 9.30am and 11.00pm Monday to Friday and all day at weekends.

Extending the scheme to offer free travel any time before 9.30am and after 11.00pm on weekdays could cost in the region of up to £700,000 depending on take up and impact on existing bus services and is not budgeted for in our current investment proposals.

4.2 CONSULTATION FEEDBACK

4.2.1 As in previous years, consulting and communicating with the community on our future plans has been a key part of the Budget process. For 2009/10, consultation has focused on:

- Revisiting our Budget guiding principles in light of changing economic circumstances;
- Informing any further prioritisation of our investment package, particularly major capital projects and initiatives;
- Seeking views on our proposed approach to the savings package;
- Informing Council Tax levels; and
- Specific questions relating to the option of extending the free concessionary travel scheme.

4.2.2 Our consultation programme over the past two months has included:

Stakeholder Group	Consultation mechanism/forum
General public	- Community Panel survey (1,200 people) - Website questionnaire
Parish and Town Councils	- Parish Council Forum - Survey of all Town/Parish Councillors
Older people	- Senior Citizens Forum (1300 households) - Survey of Senior Citizen Forum members
Black and Minority Ethnic residents	- Connecting Communities Group
Disabled residents	- Disabilities Forum
Children and young people	- Young People's Forum - School Heads Forum - PVI sector/early years
Voluntary sector	- CVS Executive Meeting - Voluntary & Community Forum
Partners	- LSP Meeting (Agenda Group)
Business Community	- Chamber of Commerce Policy & Representation Board
Employees Trade Unions	- Portfolio Focus Groups, Managers' Forums and Team meetings/briefings - JICF Trade Union Meeting
Members	- VFM Scrutiny Group - All Political Groups

4.2.3 **Appendix 6a)** sets out full details of the feedback we've received from our extensive programme of **Community Consultation**.

Appendix 6b) sets out the formal response of the **Value for Money Scrutiny Group**, which will be presented to Cabinet by the Chair of the Group.

Appendix 6c) gives the response of the **Labour Group** .

A brief overview of the key messages from the community consultation is set out below.

a) **Budget Principles**

There is substantial support (80% +) amongst Community Panel respondents for the majority of budget principles set out in Section 5.2 of this report. The one exception is the principle to 'sell some of the Council's land and property to fund investment priorities (if it is practical and prudent to do so)', which only 57% of respondents strongly agreed or agreed with (25% strongly disagreed or disagreed).

b) **Investment Proposals**

Similarly, a high percentage of Panel respondents think that the **Priority Policy Objectives** that form the basis of our proposed investment package (see Section 5.2.6) are very or quite important to the community.

Whilst there is support for all the Priority Policy Objectives, **protecting services for older people, vulnerable adults and children** is the area that the highest percentage of both Community Panel (79%) and Senior Citizens Forum (88%) respondents identified in their 'top 3' priorities for the community overall. This is reinforced by 83% of Community Panel respondents (81% of Senior Citizens Forum respondents)

strongly supporting or supporting the Council's proposal to focus additional revenue spending around Adult and Children's Social Services.

Many of the groups and forums consulted expressed great concern about the **credit crunch**. There is support for funding to address its effects, particularly to **stimulate the housing market so that more people are able to access affordable housing**. Providing specialist **extra care housing** for older people also appears to be a particular priority (ranked as the 2nd highest long-term investment priority by the Community Panel, Senior Citizens Forum and Children and Young People's Forum).

A number of groups also highlighted the need to continue to **regenerate the Borough and to support the local economy**, although there are some concerns about the affordability of regeneration proposals in the current economic climate. Looking at where regeneration should be targeted, Community Panel and Senior Citizens Forum respondents highlight regenerating the **Borough Towns** as a higher priority than improving **New Town Estates**, although for the Children and Young People's Forum the position is reversed.

Proposals to continue our 'infrastructure' investment programme in **roads, footways and street lighting** are widely endorsed. Maintenance of roads and footways is the highest long-term investment priority for both the Community Panel and Senior Citizens Forum. A number of groups stressed the link between improving street lighting and **tackling crime and anti-social behaviour**, a key Priority Policy Objective, identified by 69% of Panel respondents as in their 'top 3' priorities for the community overall.

Delivering high quality education services and facilities through the **Campus Telford & Wrekin** initiative is also well supported, being the top investment priority for the Children and Young People's Forum. There appears to be particular support for the proposal to provide leisure and community facilities alongside the modernisation of schools so that all sections of the community can benefit from this investment.

c) Approach to Savings

Across many of the groups and forums consulted there appears to be a strong expectation that the Council should manage its finances extra prudently at the current time, in particular focusing on **achieving, and striving to exceed, savings targets** (86% of the Community Panel strongly agree or agree with the principle of delivering at least £3m efficiencies and savings a year, as far as possible minimising the impact on the quality of services).

Whilst there are clear concerns about the impact of savings on service delivery (particularly the knock-on impact on the voluntary sector) and on Council employees, the Council has been urged to adopt a more strategic approach and to consider merging or closing services (Council for Voluntary Services) or fundamentally restructuring the organisation (Chamber of Commerce Policy & Representation Board, feedback from online survey).

d) Council Tax Levels

Similarly, 92% of Community Panel respondents strongly agree or agree with the principle of seeking to **minimise the level of Council Tax increase**, balanced against growing demands for Council services and protecting services from cuts. This is

reinforced by 86% of Panel respondents (85% of Senior Citizens Forum respondents) stating that they strongly support or support bringing the level of Council Tax increase to below 4% in March 2009. There are similar levels of support for an increase of less than 3.5% in March 2010 (85% of Panel, 87% of Senior Citizens Forum).

Community Panel and Senior Citizen Forum members who did not support the proposal (5% of respondents in both cases) were asked to give their reasons for this view. The most common reason given was that the Council Tax increase should be significantly lower than the proposed level. In contrast, a few concerns were also raised about whether reducing the level of Council Tax increase would result in cuts to services.

e) Concessionary Travel

In terms of the specific proposal to **extend the concessionary travel scheme** (see Section 4.1.12), almost half (46%) of Panel respondents think that extending free bus travel before 9.30am and after 11pm is very/quite important for the community overall. This figure increases to 57% for the Senior Citizens Forum. Members of both the Senior Citizens Forum and Council for Voluntary Service suggested an initial 'half-way house' approach of extending free bus travel to commence from 9am rather than the current 9.30am.

4.3 FINANCIAL POSITION

4.3.1 2008/09 Budget Strategy

The current year's budget was based on funding from the first year of a 3 year government grant settlement which was announced in December 2007 and covers the period 2008/09-2010/11.

The Council received a good grant settlement but is still losing over £7m of its grant entitlement through the grant damping mechanism in 2008/09 and even by 2010/11 will still be losing over £5m pa....a total loss of around £18m funding over the 3 years.

With greater grant certainty from this first 3 year settlement the Council was able to agree a 3 year strategy in March 2008 including:

- A 3 year investment package with a net revenue budget impact of £3.6m now rising to £7.6m by 2010/11
- A strategy of additional savings of £3m pa i.e. rising to cumulative ongoing savings of £9m annually by 2010/11. This included a detailed package of proposed savings for 2008/09 totalling £3.06m
- Use of £1.23m balances in 2008/09 falling to below £1m pa by 2010/11
- A 2008/09 council tax increase of 4.3% falling annually to an increase below 3.5% by 2010/11

4.3.2 2009/10-2011/12- Medium Term Planning Context

The Council is now rolling forward its planning timeframe to consider the period up to March 2012.

Economic Uncertainties

The current planning takes place against a backdrop of significant uncertainties facing the Council from a combination of global financial instability, a deepening recession and rapidly changing inflation levels. These are already having significant impacts on the Council's services and budgets but many implications will only become clearer as the weeks pass and current volatilities hopefully subside. At present this makes projections for next year less certain than usual, while projecting the next 3 years is more problematic still.

The Council has navigated itself through the unprecedented volatility and instability in the global financial markets this financial year and looks likely to deliver a considerable outperformance of its budget for Treasury activities in 2008/09. However projected returns are already falling for next year though still difficult to project as markets are still a long way from 'normal' interest rate relationships and liquidity levels. It would be prudent to carry some of this year's bonus over into 2009/10 as additional contingency against the many uncertainties we face.

Service Impacts

The recession, rising unemployment and difficulties in the Housing market are likely to bring rising demands on key services such as homelessness, housing benefits, social services, community support etc. on top of the longer term trends of changing demographics including an ageing population. Some of these pressures are already showing through in current year monitoring. There are likely to be impacts on income collection though this is currently holding up well for revenue flows-its in the area of asset disposal receipts that the effect is already evident and the capital programme is being reviewed to match with available resources.

There is already a widening gap between Housing growth targets and actual delivery as developers put planned schemes on hold both nationally and locally. The increasing pressure on Council resources is likely to be mirrored in the finances of local partners who are working with us on a range of jointly funded initiatives. It will be important for the local economy to keep major developments moving forward but adjusting timescales and proposals to match resources.

There are two significant switches of service responsibility from other public sector bodies in this planning period .

- The lead commissioning role for Social Care services provided to adults with learning disabilities continues to move away from the PCT to the Council with around £3-3.5m pa revenue funding ,plus possibly property ,transferring over the next 2 years and then forming part of the next 3 year grant settlement. This funding will be consolidated and form part of a pooled budget arrangement with the PCT,subject to formal approval by the Cabinet and PCT Board.
- In 2010 funding for school sixth forms, sixth form colleges and Further Education colleges within the 14-19 phase will transfer from the Learning Skills Council (LSC) to Local Authorities budgets. Transitional arrangements to support this transfer are being developed.

Both changes have been assumed as net neutral impact in terms of spend and funding transferred for planning purposes.

The Council will also need to bring into its forward planning ,the impact of the impending carbon reduction scheme which comes into effect from April 2010-final

operating guidance is still awaited .

Government Grant

The last year of the current planning period -2011/12 is particularly difficult to forecast as on top of assessing the impacts on Council budgets in two years' time from the economic impacts above, uncertainties around government funding levels come to the fore again:

- A new 3 year grant settlement, including grants for 2011/12, will not be known until around December 2010
- A new Comprehensive Spending Review takes place in 2009 setting new public sector planned spending totals for 2010/11-2012/13,
- The current economic downturn on top of existing pressures on public sector finances is still likely to lead to a much tighter grant settlement for 2011/12 and after than at any time in over a decade
- A general election and potential change of government is due by 2010 at the latest
- Results of the review of the distribution formula for Dedicated Schools' Grant will be announced in 2010 for implementation in 2011/12

The government grant for 2009/10 and 2010/11 forms part of the 3 year settlement announced in December 2007 which the Government has so far adhered to giving the Council the planned increase of 5.35% in grant for 2009/10 with a provisional increase of 4.7% in 2010/11. These good grant settlements are already built in to funding the substantial 3 year Investment Programme agreed by the Council in March 2008. Projecting the next 3 year settlement which will start with the 2011/12 budget is however difficult as flagged above .There is an escalating burden on public sector finances of the various measures being announced by the Government to support different sectors of the economy and mitigate the impacts of both instability in the financial markets and the deepening recession .This is likely in turn to lead to a very harsh 3 year grant settlement for local government over the 2011/12-2013/14 period compared with the last decade .At present forward projections below assume a 2% cash increase in 2011/12 based on some unwinding of the £5m grant still held back by damping in 2010/11. However if this doesn't happen ,a cash standstill grant settlement is possible which would reduce funding available by a further £1.4m ,and possible cuts to the many specific grants would have further impacts on services supported by those grants

4.3.3 Updated Budget and Projections

Given the unprecedented financial and economic situation still unfolding then ,as flagged back in December ,the Council has been reviewing its budget assumptions in the last few weeks to ensure that the budget for next year and medium term strategy up to March 2012 are based on the most up to date information available.

This has led to changes in a number of areas including :

- Treasury Management-investment income and borrowing projections have been updated to take account of changing interest rates and rescheduling opportunities. We have also taken the opportunity to review the options provided by changes to regulations around capital accounting arrangements announced for 2008/09 ,which are part of a general move towards private sector accounting standards . These have been discussed with our external auditors and the proposed changes form part of the Treasury report with these papers.

- Income projections-this covers both revenue and capital income streams .Adjustments have been made to both base budget and the savings package to take account of the pressure on revenue income .At the same time additional prudential borrowing coupled with the new capital accounting arrangements and debt rescheduling have given flexibility to accommodate delays on capital receipts and allow key schemes such as the Borough Towns Initiative to continue and give a boost to the local economy.
- Inflation-the base budget was being compiled while inflation trends were peaking in the Autumn so assumptions have now been revisited to take account of the recessionary impacts driving inflation down and budgetary provision has been reduced accordingly over the 3 year planning period.
- Credit Crunch Initiatives-a range of initiatives to help local people is being developed for the next 12 months to be funded from one off monies; further details are given in paragraph 5.2.10
- Leegomery scheme-approved by Cabinet in January but not in the original proposals in December

Taking account of all these changes actually nets down to a 3 year financial projection only marginally different from the December proposals before taking account of balances ,council tax increases and savings:

MEDIUM TERM FINANCIAL PLANNING SUMMARY

	2009/10	2010/11	2011/12
	£m	£m	£m
Shortfall b/f	1.23	6.08	10.33
Annual funding requirement including 3 year investment package -2008/09 to 2010/11	4.85	4.25	4.90
Cumulative funding requirement	6.08	10.33	15.23

The table reflects the 3 year investment programme approved as part of the 3 year strategy up to March 2011 during the 2008/09 process with some adjustments reflected in para 5.2.The 2011/12 position is therefore prior to decisions on an investment package covering that period and this will form one element of the 2010/11 process which will be starting imminently.

A summarisation of the 2009/10 budget is attached at Appendix 1 incorporating the 3 year Investment programme while Appendix 2 shows year on year movements from the 2008/09 budget. Portfolio budgets will be restated when the current restructuring exercise has been completed.

5.0 PROPOSED STRATEGY

5.1 OVERVIEW

Bringing together our assessment of community needs and the wider policy context, the latest financial position and the feedback that we have received from across the community, we have **reflected and taken stock of the existing service and financial planning strategy and are proposing a number of fundamental changes**. These changes are driven primarily by the worsening economic situation and uncertainties which the Borough and local people are facing and the key messages from our consultations. Full details of the proposed changes are set out in the sections below, however, in summary, they are:

- In our strategy last year, we set out our commitment to a Council Tax increase for

2009/10 which was below that for 2008/09 and below 3.5% by 2010/11. Given the high levels of support for minimising the level of Council Tax increase expressed in our consultations, the current low inflation rate, and setting these alongside the many financial challenges facing families and households across the Borough, it is **considered that the Council should look to limit the Council Tax increase to 2.5% a year over this planning period;**

- In order to fund a Council Tax increase strategy of just 2.5%, there is a need to secure further savings in addition to the current £3m efficiencies and cost reduction package for 2009/10. **To address this for 2009/10, the Council has brought forward its plans to streamline and restructure the organisation with a view to generating an additional ongoing savings package of £1m of which £0.8m will be realised in 2009/10.** Our Council Plan 2008/09 highlighted a comprehensive medium-term work programme which we were putting in place to identify future savings and reallocate resources. One of these workstreams related to a review of the organisation and this review has been accelerated, though all details are not yet finalised. From 1 April 2009, the Council will move to a new structure based on four Portfolios rather than five, with services being reallocated from the Community Services Portfolio across the Council. As part of this exercise, the Council will identify savings from the rationalisation of management structures and responsibilities and support arrangements for that Portfolio.

The Council's consultation to date on its draft Budget Strategy for 2009/10 and beyond has been very open in terms of identifying investment priorities and that we may need to take further action to close any funding 'gap'. The Council, in keeping with most other local authorities across the country, is facing a challenging and difficult Budget situation. The challenges do not end with the agreement of this Budget and a revised strategy. We will focus on our corporate work programme and its five savings workstreams to ensure that the organisation is 'fit-for-purpose' and realises on-going savings targets. Central to this will be a programme of large-scale strategic service/thematic reviews, a focus on improving business efficiency in service areas, an emphasis on invest-to-save initiatives, and a major review of the investment programme.

Our long-term Vision and Community Priorities clearly provide a framework through which to identify key issues, pressures and investment priorities. It is very evident that the Council, must continue to address three key focuses:

- Making and/or securing investment to create and sustain the long-term economic prosperity and success of the Borough and the realisation of Vision 2026;
- Ensuring that current levels of service provision and facilities are fit-for-purpose to meet the needs and expectations of our community and enable people to enjoy a good quality of life;
- Working to mitigate the effects of the economic downturn within the Borough and planning for the recovery by seeking to put in place the right policies and plans which will enable the Borough to be well-positioned to come out of the recession earlier and stronger.

In our revised strategy, we place greater emphasis on housing initiatives, enhancing concessionary travel, ensuring the rebuilding of Leegomery Centre and delivery of the Borough Towns Initiative, plus the development of a package of measures to support

the community during the current downturn/credit crunch.

5.2 OUR GUIDING PRINCIPLES

5.2.1 Our proposed strategy is informed and shaped by a number of guiding principles which have been widely endorsed through our consultation programme. Our guiding principles are:

- Develop investment proposals that are based on and address the community's needs and priorities.
- Spread our resources fairly and openly across the Borough, whilst taking account of the needs of different areas.
- Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting services from cuts.
- Deliver at least £3m efficiencies and savings a year, as far as possible minimising the impact on the quality of services.
- Maximise external investment, (e.g. Government grants) to create prosperity and success.
- Sell some of the Council's land and property to fund investment priorities (if it is practical and prudent to do so).
- Use limited amounts of the Council's balances to help minimise Council Tax increases and protect key services.
- Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation.

5.3 RESOURCE ALLOCATION/INVESTMENTS

5.3.1 As set out above, we have developed our medium-term strategy based on a number of core guiding principles including – Investing in Priorities that address community needs and priorities and meet the differing needs and requirements of different sections of the community.

5.3.2 Underpinning our strategy is a continuing commitment that the Council will operate in an even-handed way and allocate resources fairly across the Borough. We clearly cannot, however, invest in everything. We have therefore had to take decisions about where extra resources need to be put and what, inevitably, will be lesser priorities where we will have to continue either with similar levels of resources as at present or where savings will have to be made.

In this context, our corporate strategy can be summarised as follows:

➤ Our over-arching Aims

5.3.3 Our long-term Vision and Community Priorities clearly provide a framework through which to identify key issues, pressures and investment priorities. It is very evident that the Council, in our dual roles of community leaders and major public service deliverer, must address three key focuses:

- Making and/or securing investment to create and sustain the long-term economic prosperity and success of the Borough and the realisation of Vision 2026;
- Ensuring that current levels of service provision and facilities are fit-for-

purpose to meet the needs and expectations of our community and enable people to enjoy a good quality of life;

- Working to mitigate the effects of the economic downturn within the Borough and planning for the recovery by seeking to put in place the right policies and plans which will enable the Borough to be well-positioned to come out of the recession earlier and stronger.

5.3.4 In the context of these key focuses, our proposed strategy has two dimensions:

- A. An overall 3 year investment package driven by a set of clear priority policy objectives;
- B. A package of short-term actions which are focused on addressing/ mitigating the effects of the current economic/ housing down-turn.

A. Our Priority Policy Objectives & Investment Package

5.3.5 Within the context of our overall community and Corporate Priorities, we identified last year a set of clear and tangible priority policy objectives where we feel the Council can and must make a real and positive difference and focus resources – and can only achieve this through extra funding – to improve quality of life and service delivery. Taking account of the current situation in the Borough regarding Housing issues, we are adding an extra priority policy objective which is about ‘Securing affordable, accessible and sustainable Housing’.

5.3.6 As such, our revised framework of priority policy objectives is:

- Tackling crime, anti-social behaviour and alcohol misuse;
- Protecting and maintaining services for older people and vulnerable adults and children;
- Delivering high quality education services and facilities;
- Regenerating and improving our Borough towns and most deprived communities;
- Promoting growth and prosperity;
- Maintaining, protecting and improving the local environment and our rural areas;
- Enhancing customer service and improving organisational efficiency;
- Securing affordable, accessible and sustainable housing.

5.3.7 Key aspects of our proposed actions and investments in relation to our priorities are set out in the table below. As can be seen above, one issue where community feedback has indicated that the Council should consider further action relates to the extension of the current Concessionary Travel Scheme. Our proposals for this are set out in section B below. In terms of our overall mainstream medium-term strategy and investment proposals, these include:

INVESTMENT PROPOSALS

Priority Policy Objective	Investment Proposals	Link to LSP Community Priorities
Protecting and maintaining services for older people and vulnerable adults and children	<p>Additional £1.2m ongoing revenue funding for Adult Social Care Services on top of £1.1m ongoing in the current year</p> <p>Reinvesting £0.25m resources ongoing realised through the re-provision of children's homes services to enhance capacity and further improve performance.</p>	<p>Giving Children and Young People the Best Possible Start in their Lives</p> <p>Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People</p>
Regenerating and improving our Borough towns and most deprived communities	<p>£0.75m over 3 years to fund projects and schemes to support the delivery of our Borough Towns Initiative</p> <p>£4m to support the regeneration of former New Town estates</p> <p>£1.5m over 3 years to improve parks and play areas across the Borough</p> <p>Over £15m of investment in Wellington, Newport, Dawley/Malinslee and Ironbridge</p> <p>£1.7m for shops and other facilities at Leegomery Centre</p>	<p>Transforming Telford & Wrekin</p> <p>Strengthening the Local Economy and the Skills of Local People</p> <p>Creating a Safe, Strong and Cohesive Community</p> <p>Maintaining a High Quality, Attractive and Sustainable Environment</p>
Promoting growth and prosperity	<p>£0.15m ongoing funding from the current year to support economic development plus £50k annual support for the new Enterprise HQ in Coalport</p> <p>£2m to pump prime the work on the Council's Town Centre redevelopment project</p>	<p>Transforming Telford & Wrekin</p> <p>Strengthening the Local Economy and the Skills of Local People</p> <p>Maintaining a High Quality, Attractive and Sustainable Environment</p>
Securing affordable, accessible and sustainable housing	<p>£11m over 3 years to support private sector housing ,disabled facility grants to help people stay in their own homes and support for lower cost housing .</p> <p>£2m for Extra Care Housing</p>	<p>Transforming Telford & Wrekin</p> <p>Maintaining a High Quality, Attractive and Sustainable Environment</p>
Delivering high quality education services and facilities	<p>£11m spend on the emerging strategy for Children's Centres, Childcare Sufficiency, Early Years Outcomes, Young Carers, Mental Health Services, The Active Involvement Service, Connexions for Youth, School Improvement, Special Educational Need (SEN) and Extended Services in Learning Communities – part of our ongoing commitment to investing in</p>	<p>Transforming Telford & Wrekin</p> <p>Giving Children and Young People the Best Possible Start in their Lives</p> <p>Strengthening the Local Economy and the Skills of</p>

	<p>our largest service to the local area and the key to future prosperity.</p> <p>Cabinet, on 24 November 2008, approved the submission to DCSF of our Outline Business Case for our major 'Campus Telford & Wrekin' project which will deliver over £200m of new or remodelled schools ,health and community facilities in learning communities across the Borough .</p>	Local People
Tackling crime , anti-social behaviour and alcohol misuse	<p>£1.5m over 3 years for replacement and/or provision of new street lights.</p> <p>We are also using the significant resourcing package put together by the Council and Primary Care Trust this year of some £1m to deliver our strategy to address issues of alcohol misuse.</p>	<p>Creating a Safe, Strong and Cohesive Community</p> <p>Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People</p>
Maintaining, protecting and improving the local environment and our rural areas	<p>£3.8m a year for roads and footways maintenance to address key public concerns over the state of repair of this part the of the local transport infrastructure</p>	<p>Transforming Telford & Wrekin</p> <p>Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Creating a Safe, Strong and Cohesive Community</p>
Enhancing customer services and improving organisational efficiency	<p>£1.5m a year for new ICT systems to improve the quality and efficiency of services provided to the public</p> <p>£1.5m a year for repair and maintenance and improvement to our buildings</p> <p>£0.5m over 2 years for a service redesign team to support the delivery of our savings programme</p>	<p>Our Corporate Priority is to be "an efficient, effective and customer-focused Council which delivers value-for-money for the community"</p>

The 3 year Investment Programme of both Revenue and Capital proposals is attached at Appendix 3 .That programme summarises initiatives funded by the Council's own resources and thus impacting on net resources required while the summary above shows the combined impact of external and Council funding on new investments .Appendix 3 also amplifies the investment programme for the Borough Towns Initiative.

The full capital programme incorporating the capital elements of the Investment programme is included with the separate capital programme report on this agenda.

B. Credit Crunch :Addressing/ Mitigating the Effects of the Economic and Housing Down-turn

- 5.3.8 As noted above, our current strategy will do much to achieve sustainable economic and housing growth in the medium-term. The revitalisation of the centres of our Borough towns, developing Telford Town Centre into a more cohesive and attractive heart for the community and investing in new/improvements to existing industrial and commercial sites (through regional monies directed through Transforming Telford) are projects which are fundamental to future success.
- 5.3.9 At this time, the whole of the public sector has a crucial role to play in showing confidence, leadership and investment in the future of the area. Only this way can we hope to protect, bolster and strengthen the local economy and place Telford & Wrekin in the best position possible to grow and prosper in the years ahead.
- 5.3.10 - We, in conjunction with other partner organisations, are working to put in place a robust and effective short-term action plan to support the community very directly in these difficult times. .
- A particular issue where community feedback has indicated that the Council should consider further action relates to the extension of the current **Concessionary Travel Scheme**.
 - The current scheme offers free bus transport to pass-holders travelling after 9.30am. The scheme is available to all local residents aged over 60 and certain other 'vulnerable' groups. Issues relating to the extension of the scheme include uncertainty over demand (and the costs associated with additional take-up), capacity on certain bus routes to absorb additional numbers (and the potential costs associated with having to provide additional buses) and the importance of ensuring that services for people who need to get to work are not compromised. Taking all these things into account, the Cabinet is mindful of the need to act cautiously but to also look to move towards addressing the needs of local people – the view was expressed at the Senior Citizens Forum that an earlier start of 9am would be of particular benefit to those people who need to attend early hospital/other medical appointments and would be unlikely to have a significant or detrimental impact on current service levels/costs. As such, **we are proposing an extension of the current scheme for it to commence from 9am and that this will operate through 2009/10 on a trial basis**. This will give the Council an opportunity to assess feasibility/demand/costings, in conjunction with Arriva Travel, in terms of maintaining this extension of the scheme on an on-going basis or even extending it further. Findings from this trial year will then be considered as part of next year's service and financial planning strategy process.
- 5.3.11 Key aspects of our proposed action plan to provide greater support to the community at this difficult time are listed below and around £0.7m is being earmarked from current year underspends and existing one offs to fund this package for 12 months initially:

CREDIT CRUNCH/RECESSION INITIATIVES

Policy Focus	Proposed Actions
<ul style="list-style-type: none"> • Provide support for local people 	<ul style="list-style-type: none"> - Implement extension of Concessionary Travel scheme on a 'trial basis' for 2009/10 to commence at 9am and, during the year, assess feasibility/demand/costings in terms of maintaining this extension of the scheme on an on-going basis or even extending it further. - Establish information/ Advice Centre in Telford Town Centre - Explore additional schemes to support access to/payments of costs relating to child care to enable employment - Local implementation of national Mortgage Rescue Scheme - Explore the need for additional grant finding for key voluntary organisations to increase the range of services to the community regarding debt and finance and to support vulnerable families at risk from unscrupulous money lenders - Expansion of existing Health through warmth/ Affordable Warmth programmes - Provide additional support for homeless people through KIP (over-25's provision) and STAY (under-25's provision)
<ul style="list-style-type: none"> • Support local businesses directly 	<ul style="list-style-type: none"> - Provision of business enterprise and business support information through Advice Shop - Provision of sessional business surgeries - Delivering a programme of sector-focused business advice sessions - Review of council procurement to encourage local contracting and employment as part of a broader 'act local' approach Enterprise HQ (with financial support from the Council) opens in February 2009 and will increase the range of support available for home-based entrepreneurs - <ul style="list-style-type: none"> o Establish 'Act Local' approach <ul style="list-style-type: none"> - Business to business (B2B) supply chain support - B2B waste matching - Support/develop Chamber of Commerce web based business to business directory - Public Sector 'Act Local' approach – target procurement at local firms (subject to legal and VFM considerations)
<ul style="list-style-type: none"> • Support and stimulate the local housing market 	<ul style="list-style-type: none"> - Explore options with HCA and AWM for stimulating the local housing market to reduce homelessness - Explore options to develop an 'Empty Property Task Force/campaign' to identify, target and bring back into use appropriate empty properties across the Borough.
<ul style="list-style-type: none"> • Encourage inward investment in the Borough 	<ul style="list-style-type: none"> - Campaign to promote Telford as an investment location based on availability of development land, environmental quality, accessibility, strong business networks - Maintain targeted Inward Investment service - Development of a revised economic strategy and joint investment/delivery plan to ensure delivery of existing key projects and bringing forward new employment site projects

5.4 **SAVINGS**

5.4.1 A key element of our overall strategy framework is – **to deliver at least £3m efficiencies and savings a year ,as far as possible minimising the impact on the quality of services.** The strategy approved in March 2008 agreed a savings programme of at least £3m pa additional savings through to 2010/11. Further savings beyond that year will inevitably be required and targets are likely to rise as the prospects for public sector funding and budgets deteriorate at both national and local levels .It is now proposed for planning purposes that a target of at least £6.4m is set for 2010/11 to 2011/12 on top of the £3.8m programme for 2009/10 to support the council tax strategy.

The October and December budget reports to Cabinet outlined a medium term savings programme encompassing work on a rolling programme of service reviews to:

- Assess relative service and service level priorities against affordable resources
- Consider alternative service provision options
- Streamline service delivery/generate efficiency savings
- Review income generation and external funding opportunities
- Review Invest to Save opportunities (£1m pump priming pot set aside)
- Review the Council's organisational structures

The proposed £3.8m savings programme for 2009/10 is attached as Appendix 4 .As each year of additional savings at this level comes forward it will become increasingly difficult to avoid some service impacts .Additional savings of £0.35m for the ring fenced Education budget also form part of the overall package.

5.4.2 **Attracting External Funding & Investment**

We are reviewing how we can more effectively co-ordinate external funding both from within the Council and with our partners. We are also looking at how we can influence more investment into Telford & Wrekin through the region and nationally.

5.4.3 **Asset Rationalisation & Disposal Programme**

Good asset management plays a role in delivering high quality public services; delivering efficiencies; and in creating a sense of place. Asset & Property Management (A&PM), working with service areas will be challenging whether all Council Operational assets are required and also determine if they are fit for purpose to support the service that is being delivered. A&PM have assessed whether the operational assets provide value for money to meet current needs by monitoring property performance. Following completion of a property review, an accommodation strategy will be developed providing direction and a context for future investment and disposal. Once the Council's strategy for asset rationalisation is clear a wider review with partner agencies will be implemented to ensure that properties throughout the whole public sector are used to their maximum. This approach will maximise the use of all public owned buildings resulting in further efficiency savings and supporting high quality service provision to the community across the public sector. There are a number of initiatives that support the Council's medium term investment package which are linked to asset rationalisation, they relate partly to the Borough Towns Initiative and the Telford Town Centre project.

5.5 **BALANCES**

5.5.1 Our overall strategy framework proposes **Using limited amounts of the Council's balances to help minimise Council Tax increases and protect key services** as well as **setting aside additional money to deal with any unforeseen circumstances caused by the current economic situation.**

The 3 year strategy approved in March proposed keeping use of balances for the general funding of **ongoing** revenue costs to below £1m pa, while still utilising additional reserves to meet one off needs.

Appendix 5 summarises the overall balances position of the Council after taking account of the various earmarked reserves and risks faced by the Council. This shows around £6.1m available as part of medium term budget strategy considerations, including £1m already approved for use as an invest to save fund to help the future savings programme being developed .The proposed strategy for 2009/10 uses £0.95m of the uncommitted balances to fund the ongoing revenue budget and earmarks up to £0.5m for a package of one off credit crunch initiatives being developed (on top of £0.2m being funded from current year budgets).

5.5.2 The considerable uncertainties faced next year will also need to be allowed for in any strategy so the revenue contingency which currently stands at around £0.6m for next year, after taking account of existing commitments, should be supplemented on a one off basis until the fallout from the international financial instability, plus the impact of the recession and residual inflation are clearer. It is proposed to set up a supplementary one off contingency fund of £1m which will be funded from the additional Treasury surplus being generated in the current year and thus is not a call on the £6.1m flagged above.

5.6 **COUNCIL TAX**

Our strategy seeks to **minimise the level of Council Tax increase ,balanced against growing demands for Council services and protecting services from cuts.**

The Council currently has the lowest council tax for unitary service responsibilities in the Midlands and is some £120 below average band D bills in the rest of Shropshire. Every 1% increase in council tax raises around £0.53m funding for services and adds around 16p per week to average bills in the area (20p at band D). All households receiving council tax benefit are fully protected from any increase - this includes over half the elderly households in our area.

The proposed approach for a Council tax strategy over the next 3 years has to balance protecting key services ,investment in key priorities and ensuring continued value for money from Council services- which includes sustaining the lowest Council Tax level for unitary services in Shropshire and remaining one of the lowest in the Midlands.

The proposed strategy to support local people through a difficult financial period is for annual council tax increases of 2.5% (40p per week on average bills) over the 3 year planning period-the final year being subject to the level of government grant from the new 3 year settlement due in 2011/12 .

5.7 **EDUCATION**

5.7.1 The Department for Children, Schools and Families (DCSF) announced a Dedicated Schools Grant (DSG) three year budget settlement for schools and further rationalisation of standards related grants in December 2007. Approximately 90% of DSG funding is delegated to schools with the remainder being retained for central expenditure on pupils relating, in the main, to Special Educational Needs (SEN) including behaviour and Early Years.

The table below sets out the average DSG per pupil increases nationally and for Telford and Wrekin for 2008-11:

	2008/09 baseline per pupil £	Per Pupil Increase %	2009/10 baseline per pupil £	Per Pupil Increase %	2010/11 baseline per pupil £	Per Pupil Increase %
T & W	3,910.83	4.3%	4051.55	3.6%	4219.45	4.1%
National	4065.90	4.6%	4217.71	3.7%	4398.02	4.3%

5.7.2 Per pupil allocations for Telford and Wrekin are 4% lower than the national average per pupil (£166.16 less per pupil in 2009/10).

To reflect cost pressures the DCSF has indicated that all schools will receive a minimum per pupil increase of 2.1% over the period 2008-11.

Included within the per pupil sums shown in the table above is additional funding to meet the Governments priority of improving teaching and learning through an extended personalised curriculum for all pupils, however local authorities, in consultation with their School Forums, decide on the distribution of the whole of grant locally (subject to meeting the minimum funding requirement).

5.7.3 The final DSG settlement for each year depends on actual pupil numbers as at January of the prior financial year and are finally determined by June. However, authorities can plan ahead in the knowledge that they will receive a fixed sum for each pupil. In 2008-09 authorities were required to provide indicative budgets to schools for the following two years. Whilst appearing a reasonable settlement actual pupil numbers in January 2008 resulted in a reduction of the final settlement figure by around £400k. This had a significant impact on funding for a number of our schools with falling rolls. The fall in pupil numbers also reduced the amount of funding available to meet the costs of 'Central' expenditure items. Estimates of pupil numbers for the 2009-10 indicative budget indicated a further fall in pupil numbers, our latest estimates whilst slightly better still indicate a loss of at least £250k on the DCSF's estimated DSG allocation for 2009-10. This may result in some schools with falling roll facing financial difficulties in managing their position.

5.7.4 **Education Budget Overview**

The 2008-09 Education budget strategy was delivered by the rationalisation of grant usage and the development of a £800k savings programme in order to address a shortfall of £1m in funding. The latest view of the 2009/10 Education funding position is as follows :

Education Budget Overview 2009/10

	09/10 £m
Total Funding Available	(124.8)
Delegated to Schools	92.6
C&YP Base Budget	21.2
Grant Use	11.0
Pressures Base Budget	1.0
Committed Developments	0.12
Savings Package Required	1.12

Other Funding Sources

In addition to the Dedicated Schools Grant, the portfolio also receives funding for Education from the following sources:

- Revenue Support Grant/Council Tax (£13.1 2009/10)
- Specific ring fenced grants (£9.8m 2009/10)
- Area Based Grants (£5.9m 2009/10)

Education Budget Projections for 2009/10 highlight over £1m of **Pressures and developments** including

- Personalisation of teaching and learning
- Out of Borough education placements
- Impact of more complex needs of pupils on a range of service areas
- Impact of falling pupil numbers on central budgets (loss of funding)
- Impact of Single Status costs within schools
- Impact of cessation of one off funding
- Reduction in real terms of other grants
- Full roll-out of Children's Centre developments
- Development of Campus Telford and Wrekin
- Strategic developments around 14-19 agenda

5.7.5 Education Budget Strategy

The strategy to address the £1.12m shortfall includes substantial redirection of grants-

- Area Based Grant – Extended Services & Positive Activities £358k

This saving will be achieved by attributing current base budget spend on these services to increases in the Area Based Grant. Existing resources will then be used to meet new national and local strategic priorities including enhancing the provision of sustainable and inclusive extended services and removing barriers that may prevent schools from developing these services.

- General Sure Start Grant £416k

This saving will be achieved by attributing current base budget spend on these

services to increases in the General SureStart Grant. Existing resources will then be used to meet new national and local strategic priorities including the development of the children’s centre offer; albeit at a considerably reduced level

In both cases funding is being diverted away from universal preventative services in order to meet the increased cost of vulnerable, complex and acute services. Work is ongoing through the SEN Review to address system and process issues which will lead to a redistribution of funding towards “early intervention” services for universal and vulnerable children and young people.

In addition to the redirection of grants a number of savings have been identified which are shown in Appendix 4 as part of the overall savings package.

In summary the Education Strategy is set out below:

	2009/10 £m
Shortfall	1.12
Savings Package –see appendix 4	0.35
Grant Increase not allocated	0.77
Total	1.12

5.8 OVERALL STRATEGY

5.8.1 The Council faces a period of unprecedented economic uncertainty which is already having a considerable impact on local people and businesses and on national and local public sector services and funding .Members have considered the responses to their consultation process as well as updating budget assumptions with the latest information available in this period of rapid deterioration in the economy and looking at what initiatives the Council can lead to help local people and businesses .The resulting strategy proposals are

- Confirmation of the second year of the 3 year Investment Programme which invests a further £16m in infrastructure projects and £1.7m in services including Adult and Children’s social services and Credit Crunch initiatives
- A general savings package of £3.8m for 2009/10 plus a further £0.35m in Education services ,and a target of at least £6.4m for the 2010/11 -2011/12 period
- Use of £0.95m balances to support the ongoing net budget in 2009/10
- An additional £1m contingency for 2009/10 funded from the surplus generated by Treasury Management operations in 2008/09
- A council tax increase strategy of 2.5% pa for the 3 year planning period subject in the final year to the level of government grant from the new 3 year grant settlement in 2011/12 .

5.8.2 The summary below reflects the council tax increase proposals,3 year savings targets and an investment programme which at present only runs to 2010/11but will be reviewed as part of the 2010/11process starting very soon .

	2009/10	2010/11	2011/12
	£m	£m	£m
Shortfall b/f	1.23	6.08	10.33
Annual funding requirement including 3 year investment package -2008/09 to 2010/11	4.85	4.25	4.90
Cumulative funding requirement prior to tax rise and savings decisions	6.08	10.33	15.23
Funded by:			
Savings	(3.80)	(7.00)	(10.20)
Council tax increase of 2.5%pa	(1.33)	(2.69)	(4.08)
Use of Balances	(0.95)	(0.64)	(0.95)
Funding Package	(6.08)	(10.33)	(15.23)

5.8.3 **Robustness of the Financial Strategy and Levels of Reserves & Balances**

The Council's Chief Financial Officer (CFO) is required to comment on the adequacy of the Council's levels of reserves and balances and robustness of the overall budget strategy. Given the medium term position outlined in this report, the CFO considers the current level of reserves and balances and proposed strategy above to be appropriate and prudent. Appendix 5 amplifies this statement.

6.0 **OTHER IMPLICATIONS**

Equal Opportunities

The Council has specific initiatives within its policy and financial plans to promote equal opportunities, which is at the heart of the Council's policies.

Environmental Impact

The allocation of resources takes specific account of environmental issues facing the Council, in the context of other pressures and priorities.

Links with Corporate Priorities and Risk

The report sets the strategy framework which includes consideration of both community and corporate priorities and the corporate risk register.

Financial & Legal Comments

This report forms part of the policy planning and budgetary framework that will result in the Council being required to set a robust balanced budget and Council Tax levels by the March deadline laid down by the Government.

Ward Implications

Borough Wide Strategy.

Background Papers

Financial Planning Model, RSG another Government grant related paper Council Plan.

Report prepared by Paul Clifford, Head of Finance and Richard Partington, Head of Policy, Performance & Partnership

Corporate Property Asset Management Plan

2009/2012

February 2009



Telford & Wrekin

C O U N C I L

FOREWORD

Land and Property assets are a serious issue for local Government! Second only to staff, property is the next most valuable resource Telford and Wrekin Council manages.

At a time of increasing budget constraints, it is increasingly important to not only continue to manage and 'sweat' our assets effectively, but also to examine how they can be better used to 'Place Shape' and regenerate our Town and Borough towns.

The majority of Council services are provided indirectly through land and property; therefore ensuring that properties meet both our staff and service needs is of paramount importance.

Property provides a significant contribution to the delivery of the Council's vision ambitions, priorities and services. Through accessing additional funding and effective prioritisation of planned maintenance, real improvements are being made to the building stock.

Refurbishments, improvements and extensions have been carried out to the Windmill Primary School, Brookside and The Sutherland School, Trench. However in addition to this, new developments such as Short Wood Primary School (Wellington) and Old Park Primary School are not just providing better educational facilities for our young people, but also provide new housing, an improved shopping centre tailored to current needs including doctor's surgery and Children's Development Centre, in collaboration with the Primary Care Trust. All of this development is carried out to the latest environmental standards with sustainability to the fore.

Building Schools for the Future funding provides a huge opportunity to further redevelop our educational and recreational service within communities, further contribute to the "Place Shaping" agenda.

The regeneration and transformation of our Borough towns and Town Centre is also a priority. The Borough towns will be developed in partnership with local communities, businesses, Town and Parish councils and regeneration partnerships. The built environment will play an important role and whenever possible, property will be used as a catalyst for change.

Madeley Centre regeneration commenced June 2008. The first phase involving the demolition of the former supermarket is now complete and the construction of the new anchor Tesco store is expected to be completed 2010, the scheme will deliver great benefits to the south of Telford, bringing with it not just a re-modelled vibrant centre, but significant highway improvements.

The Dawley and Malinslee regeneration promises to be a major programme, the re opening of the High Street to traffic and public realm improvements start in 2009 and it is planned for infrastructure works on the brown field 90 acre site to be underway by 2010.

Wellington's new library, registry office and co located services at the existing leisure facility are planned to start in Autumn 2009.

Leegomery Local Centre following its fire damage is being rebuilt by the Council and is due for completion in November 2009.

Property produces around half of the Council's carbon emissions. Under the "Climate for Change" agenda, it is proposed to significantly reduce the Council's carbon emissions in the coming years. Improving the efficiency of existing buildings and delivering innovative, sustainable new buildings will contribute significantly to achieving this target.

A robust Asset Management Plan will inform decisions relating to service delivery, and bring major benefits to the local community.

Translated Introduction

If you require any part of this Telford and Wrekin Council Corporate Asset Management Plan 2009/2012 of Telford and Wrekin Council translating into your own language, please telephone our Translation Service on 01952 382121 and quote reference AMP2009/2012:

This document is also available in large print, in Braille and on audio tape.

Insert Translation 1

Insert Translation 2

Insert Translation 3

Insert Translation 4

CONTENTS

- 1.0 Statement of Context**
 - Asset Management Plan – Aims
- 2.0 Organisational Arrangements for Corporate Asset Management**
 - Roles and Responsibilities of The Corporate Property Working Group
- 3.0 Links to Key Plans and Objectives**
- 4.0 Consultation**
- 5.0 Data Management**
 - Core Data
 - Continuing Improvement
- 6.0 Programme Development and Implementation**
 - The Decision Making Process
 - Maintenance Programme
 - Formulating the Property Related Capital Programme and Key Issues
 - Key Issues Addressed Within our Asset Management Approach to Finalising the 2009/10 Capital Investment Programme
 - Procurement
 - Option Appraisal and Life Cycle Costing
- 7.0 Key Issues and Areas for Change and Development**
 - Introduction
 - Partnership Working
 - Regional Growth Pressures
 - Council Re-Shaping
 - Sustainability and Environmental Matters
 - Equalities and Diversity
 - New Ways of Working
- 8.0 Property Investment Portfolio**
 - Performance Monitoring and Measurement Process
 - Key Achievements 2008
 - Plans and Developments 2009
 - Case Studies
 - Land Strategy
- 9.0 Under-use and disposal (operational assets)**
 - Property Review and matching provision to need
 - Disposal Programme
 - Building Rationalisation
 - Borough Towns Initiative
 - Building Schools for the Future
- 10.0 Asset Details**
 - Statement of Assets

11.0 Property Performance Indicators for all Operational Properties Including Schools (excluding Property Investment Portfolio)

- PMI 1 – Condition and Maintenance
- PMI 2 – Energy/Environmental Property Issues
- PMI 3 – Suitability Surveys
- PMI 4 – Building Accessibility Surveys

1.0 Statement of Context

Telford and Wrekin Council is a Unitary Authority responsible for the fastest growing area in the West Midlands. The Council's "Local Development Framework" core strategy has been approved. The Central Telford Area Action Plan (CTAAP) preferred options report will go through a public consultation in 2009.

This continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in major implications for property holdings and Asset Management.

As part of Comprehensive Performance Assessment (CPA) there is a Key Line of Enquiry (KLOE) relating to 'How the Council Manages its Asset Base', the Council received a Level 4 result in October 2007 which was re confirmed in November 2008. Level 4 is the highest assessment that can be achieved. Under the new Comprehensive Area Assessment (CAA) further progress and innovation will be necessary to maintain this level as the 'bar is raised further'.

Telford and Wrekin Council currently delivers services from 166 properties 154 of these properties are owned by the Authority and deemed to be operational, 6 are "leased in" from private providers, there are 2 P.F.I. properties and 6 are owned by the Telford and Wrekin Council Property Investment Portfolio (PIP) and used as operational properties. These properties do not include the Property Investment Portfolio held for investment and regeneration purposes or houses leased in for homeless accommodation.

Substantial refinement and improvement to these properties has taken place. Work is continuing to rationalise where possible, and to improve the Asset and Property Portfolio in accordance with service requirements and Asset Management principles.

Asset Management Plan - Aims:

- Ensure assets are fit for purpose
- Ensure assets are situated in appropriate locations
- Deliver an integrated approach to Asset Management across the Authority, with consideration to both individual Portfolio requirements and Corporate requirements
- Reinforce a corporate approach for holding property and outline definitive objectives
- Ensure Asset Management decisions are planned in a co-ordinated manner and consistent with corporate priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to facilitate analysis of the Property Portfolio's performance measurement and decision-making criteria, including development of management information systems
- Improve service delivery to achieve community ambitions
- Use land and buildings as an enabler to the "Place Shaping" agenda and the enabler of regeneration in Borough towns

- Optimise property revenue towards the Council's current and future aims, objectives, policies and programmes
- Optimise and prioritise the level of property investment, to meet the Council's current and future service needs
- Promote the innovative use of property together with partners and stakeholders

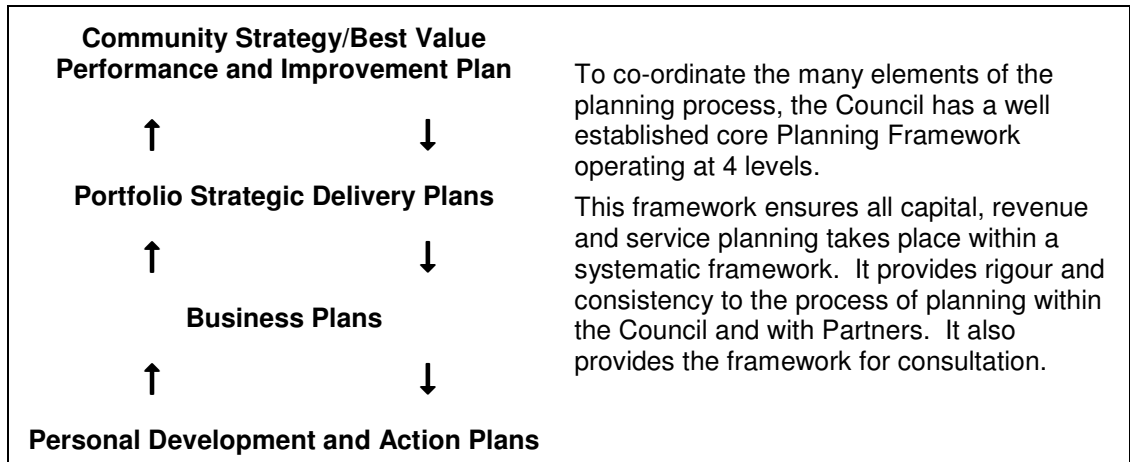
2.0 Organisational Arrangements for Corporate Asset Management

Roles and Responsibilities of the Corporate Property Working Group

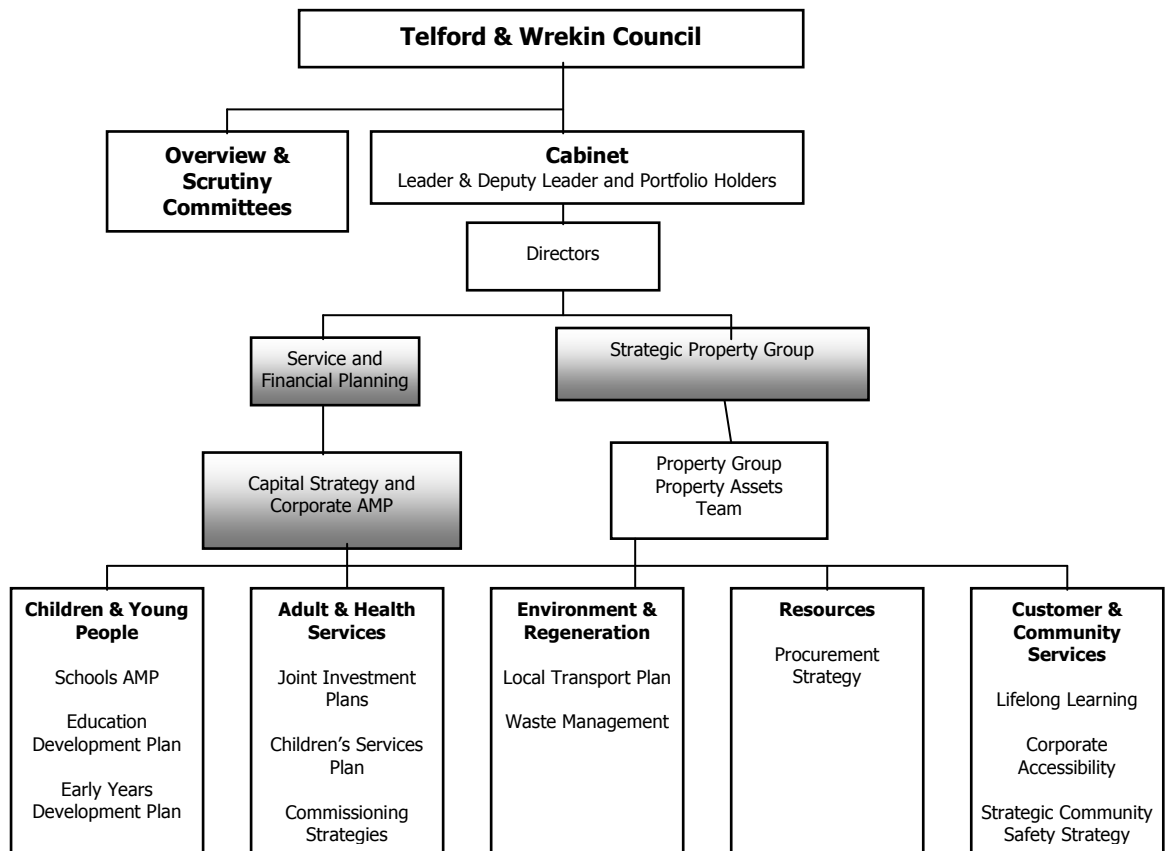
- To strengthen the corporate approach to Asset Management and embed this approach at a strategic level,.
- Facilitate the implementation of the Corporate Property Strategy to ensure the Authority is achieving the Communities for Local Government (CLG) requirement of maximising local authority property assets in accordance with the efficiency agenda
- Produce regular progress reports as necessary
- Develop the Corporate Property Strategy
- Produce the Corporate Asset Management Plan (AMP)
- Consider and lead cross-cutting use of property both across portfolios and multi-agencies, i.e. Primary Care Trust (PCT), police
- Review the Council's acquisition and disposal programmes as part of property review and rationalisation
- Monitor and review the collection, use and maintenance of property asset data
- Establish and review Property Performance Indicators and benchmarks
- Establish a reporting regime to services and Members, particularly to the Cabinet Member with responsibility for assets and property
- Consider and implement recommendations from internal and external audits for Asset Management
- Co-ordinate, review and deliver property and capital review programmes, cross-service working and maintenance programmes

3.0 Links to Key Plans and Objectives

The Council's Corporate Plan identifies Key Activities across the Council which contribute to the Community Ambitions (see Appendix1). From 2009/10 this process will be revised in accordance with the Council's priority plans. The table below details the strategic Asset Management decision-making links within and across Portfolios:



**Service and Financial Planning Relationship to Wider Council (Figure 1) PUT
IN NEW CHART FROM STRATEGIC PROPERTY REPORT 1/10/08**



Strategic Property & Procurement Group - Members:

Community Services
 Head of Asset & Property)
 Head of Human Resources, ICT, Business Transformation and Communications
 Representatives from Children & Young People and Adult & Consumer Care

Figure 1 referred to overleaf, details the links to the Council's decision making process and indicates working across portfolios, through the Service and Financial Planning Framework and Strategic Property Group.

In line with the recommendations of the Government's agenda for joint agency working, the Corporate Property Officer (CPO), is liaising with external agencies e.g. PCT, to identify and maximise the use of existing assets and explore partnership opportunities for inter-agency use of property.

Discussions are ongoing with the Fire Service regarding joint working arrangements as have already been established with the PCT at the Glebe Centre and Old Park together with the Police CCTV monitoring station at New Street, Wellington.

Partnerships involving the Council's buildings, police and PCT are explained in further detail under Section 8 - Property Investment Portfolio.

The Case Study included in Appendix 2 is a good example of partnership working across the public sector. The scheme has involved the complete “re-shaping” of Malinslee Local centre including new shops, housing, school amalgamations, doctors’ surgeries and PCT assessment facilities.

4.0 Consultation

Asset and Property Management is service driven and endeavours to deliver value at every opportunity. Telford and Wrekin Council is strongly committed to effective consultation and all local plans and initiatives are paramount.

Consultation occurs at two main levels –

Strategic: Issues affecting the entire Council

Focused: Specific issues, projects and priorities

An integral aspect of the Council’s overall approach is to ensure major projects and initiatives are assessed by multi-agency partners, service users, citizens and other relevant stakeholders. This consultation exercise ensures projects and initiatives are fully developed or refined, dependent on consultation feedback.

There are two main consultation routes:

- In partnership and with local multi-agencies – often focused towards priorities and projects
- Community based through a range of quantitative and qualitative methods such as residents’ surveys, local meetings and focus groups. A prominent feature of the consultation “landscape” is the Telford and Wrekin Community Panel – a cross-section of some 1,000 local residents.

The Council’s most extensive property related consultation has been conducted regarding the proposed re-development at Paddock Mount, Dawley (see Section 7.0). We are currently underway with consultation for the new Civic Building in Wellington which should be complete by the end of February 2009 (See Chapter7)

- Approximately 2,500 homes and businesses within the area of the proposed regeneration site received a detailed leaflet describing the proposed vision and consultation events. A letter and a copy of the questionnaire were circulated to these properties midway through the consultation period to ensure sufficient opportunity to respond
- Briefings were conducted between ward members Regeneration Partnership and Parish/town councils; prior to the launch of a series of public exhibitions
- Both day and evening exhibitions have been scheduled in Dawley and Malinslee
- A website is also available detailing the consultation information and an online questionnaire

5.0 Data Management

Core Data

All Council property core data is recorded on a bespoke Property Management System, which is designed to accommodate all forms of property data in a central location.

The core data comprises the following elements to ensure effective asset management:

- The Asset Register:

The Council maintains a central corporate asset register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements.

All assets are allocated a central “Unique Property Reference Number” (UPRN).

The Register is regularly monitored and updated to record all acquisitions and disposals; the Estates and Investment Business Manager within Asset and Property Management, retains overall responsibility for the management of the register. The Manager is also responsible for delivering service support activities associated with all property transactions; ensuring asset activity information is reliable and recorded in one central location.

A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified.

The Property Investment Portfolio is re-valued annually.

- Voluntary Registration of Title:

To support the Government’s e-conveyancing initiative and to address the problems arising from unregistered titles, the Council has entered an agreement with HM Land Registry (HMLR). The agreement is specific for the ‘Large Scale Voluntary Registration’ of over 2000 title deeds and other notable interests over a three year period from April 2005. This was completed in April 2008

The agreement will generate conveyancing efficiencies in the disposal process, by providing proof of good title and potentially reduce vulnerability to encroachment of Council land. Land boundaries and details of the registered title will be electronically stored. This will give various Corporate Property Database operators within the Council, immediate access to the database without having to consult legal resources in the first instance.

- Condition

Condition surveys of all schools and operational buildings have been completed and are re-assessed as part of an on going re-survey process.

All school data has been submitted to Central Government on a number of occasions, and has been successfully assessed by external auditors. This enables officers to determine and prioritise work in accordance with Asset Management principles, and therefore improve the quality of our school building stock, in addition to providing valuable information to enable informed decisions on investment disposal.

Operational data is captured across all portfolios and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented, all portfolios have accepted and endorsed this process.

- Suitability

All education suitability surveys are complete and have been successfully assessed by external auditors, these are updated annually.

Data submission to central Government has provided significant modernisation funds which have been used in accordance with the data to improve the suitability of the education environment, and address a number of shortfalls in accommodation.

Bespoke operational suitability surveys were completed May 2008, at the majority of Telford and Wrekin Council properties, and provide valuable information when determining the planned programme of work; they will also play a significant role in the overall property review assessment and rationalisation process.

- Asbestos

An innovative and comprehensive Asbestos database has been developed, incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management data; ensuring quality and up to date information is retained. The enhanced survey, whilst still non-destructive, includes the inspection of accessible voids to assist with ICT cabling and installations.

In accordance with the Council's Asbestos Management Plan 2008, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council targets available resources at priority items and manages the risks on site.

In 2009, by analysing existing surveys a programme of priority plans will be developed to target resources to areas of need and manage existing asbestos over the next 5 years.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of operational properties (excluding schools) is undertaken frequently, ensuring suitability of premises in relation to service delivery.

The Audits are stored electronically on the central Asset Management database and are accessible for stakeholders and managers via a Web browser. This ensures ownership under the duties imposed as part of the Disability Discrimination Act (DDA).

The access audits and our approach to service delivery in accordance with the requirements of DDA, has informed our Programme of Improvement. The Performance Indicator relating to accessible buildings has risen from an original figure of 55% in 2005/06 through to 69% in 2007/8 we are projecting 74% in 2008/09.

A comprehensive strategic approach to asset management provides the Council with the opportunity to address geographical disparity in access to services across the Borough. Regular meetings with service providers as part of the suitability surveys, is part of this approach.

- Energy and Efficiency

There is a dedicated energy module as part of the Asset Management Software System, which enables the Authority to input and analyse property related energy data.

This data feeds into the property performance indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's emerging Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of building to ensure resources are allocated in the right areas to reduce the Authority's carbon footprint.

Examples of Energy Efficiency Initiatives include "Invest to Save" bids to install more efficient lighting in Darby House and the installation of a voltage reduction regulator at Civic Offices. At schools and other operational properties, bio mass boilers are considered whenever refurbishments include reviewing heating systems.

Biomass boilers are now installed at The Place - Oakengates, Oakengates Leisure Centre, Hadley Learning Community, Short Wood Primary School And the recently completed Old Park Primary School.

Water harvesting has been installed at Hadley and Short Wood together with cedum roofs to minimise water run off. Central monitoring of heating and ventilation at new schools is proving to be a significant benefit. This controlled regulation should result in meaningful reductions in energy usage.

- Measured Surveys

Accurate, comprehensive, measured building surveys of operational buildings are available on AutoCAD.

- Historical Information

Several thousand drawings and specifications for operational properties have been scanned and information is stored on the shared network. Access is permitted to stakeholders (in-house/external construction professionals, clients, planning supervisors, etc). This enables the Council as a major procurer of construction projects, to protectively fulfil its duties under the construction (Design and Management Regulation) in acting as a competent client.

- Communication to Stakeholders

The Authority allows its building managers to access live asset management information, via a designated Asset Management Web browser; this assists in the delivery of good facilities management and to support effective service delivery.

Continuing Improvement

As part of our ongoing improvement plan, the table below illustrates surveys completed for operational buildings (excluding schools) at the end of 2008/2009, with projected re-surveys each financial year indicated (dependant upon resource allocations):

Type of data	% of surveys/ data completed	Planned work up to March 2008 as a percentage of floor area	Overall target
Condition surveys	100%	25%	Rolling programme to resurvey all properties every 4 to 5 years
Suitability surveys	96%	25%	Rolling programme to resurvey all properties every 5 years.
Asbestos surveys	100%	100%	Rolling programme to reassess risks every year
Disabled access audits	100%	10%	Rolling programme to resurvey all properties every 5 years. Completed in 2005/06.
Geographical system	20%	Direct relationship to data capture above	All graphical data to be completed by March 2008
Weighting and scoring	20%	Direct relationship to data capture above	Weighting and scoring system to be completed by March 2008
Energy data	80%	100%	

6.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management system allows the Authority to make informed, property related decisions at a strategic and transparent level.

This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, access, sufficiency and asbestos, etc in the following areas (list not exhaustive):

- Education Development Plan
- Early Years Development Plan
- Schools AMP
- Capital Strategy for Schools
- Review of office accommodation
- Repair and maintenance programmes
- Capital programmes
- BSF
- Property Rationalisation
- Borough Towns Initiative

Maintenance Programme

Information on property condition, suitability and sufficiency is already feeding into the formulation of the Council's Repair and Maintenance programme. The Council has completed all condition surveys for operational properties where appropriate, used for the delivery of its services thus establishing a baseline.

The surveys identified elemental and overall condition ratings A to D, priority grading 1 to 4 and costs to repair or renew in line with the DCSF model.

The Council has further improved the consolidation of all Repair and Maintenance budgets into a central, strategic location managed by Asset and Property Management.

This approach further supports the strategy to target resources, at priorities based upon many criteria; rather than delegate Repair and Maintenance budgets to individual sites. The approach also achieves a standardisation in the procurement of areas, such as service contracts (e.g. boiler servicing), developed by construction professionals in addition to channelling all properties to achieve economies of scale through the tender process.

The planned maintenance programme for 2009/10 has been submitted to Cabinet for approval in February 2009. The planned maintenance programme details the priorities set in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

The advent of the Prudential Borrowing Regime has facilitated 'joined up' consideration of revenue and capital aspects of service development priorities over the short, medium and longer term and supports a more planned approach to property investment and maintenance.

Option appraisal processes in line with the Prudential Framework for capital projects, take account of the different outputs required; and will include examining reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises/sharing premises and partnership with the private sector or other public sector partners.

Condition, suitability, sufficiency and asbestos data, etc collected through the AMP process helps inform the Property Strategy and Associated Business Cases.

Property related projects are assessed by Asset & Property Management with option appraisals prepared for assessment, as part of the service and financial planning decision making process.

Telford and Wrekin Council actively considers sustainability as part of asset provision, use and management. Sustainable Procurement Strategy is part of our commissioning approach, and we are innovative in ensuring sustainability is part of all new-build and refurbishment schemes, by continually reviewing the content via the Environmental and Sustainability Team, the Strategic Procurement Team and best practice within Asset and Property Management Service Area.

Key Issues Addressed Within our Asset Management Approach to Finalising the 2009/10 Capital Investment Programme Include:

- The delivery of the capital projects for portfolios' property stock, to underpin improved service delivery
- Regeneration – support and project management to the Borough Towns Initiative
- Town Centre Development – at feasibility stage involving assessment of affordability, potential partners, collaborative working.
- Repair and maintenance programmes for operational property. The Council is continuing to develop its approach to connect the Repair and Maintenance backlog to a planned programme and revenue budget allocation across service areas
- Repair and maintenance programmes for property investment portfolio will ensure assets maintain income levels for the Council
- Redevelopment opportunities within the property investment portfolio
- Completion PCT building adjoining Old Park Primary School (see Malinslee Centre) July 2009.
- Commencement Lightmoor Primary School July 2009, 12 month build period
- Climate Change/Energy Efficiency
- The Telford Sports, Learning & Enterprise Community (TSLEC) evolved through the Council led partnership that was formed to save the local football club when it went into liquidation in 2004. AFC Telford Utd was born out of the ashes of the old club and it is wholly owned by the supporters. The Club has earned promotion twice in its first four seasons. Following on from this success and wanting to use the newly formed and award winning partnership for the benefit of the whole community plans were developed for TSLEC which bring together four independently owned sites - AFC Telford Utd, Telford College of Arts & Technology, Hadley Learning Community and Wrekin College into a unique partnership

- Quirk Review - In consultation with Community Groups assessing benefits of transferring management/ownership of buildings to community groups. A number of community centres, including Randlay and Hollinswood have been transferred to Parish Councils This is being led by Community Services who are identifying potential buildings and groups which may be interested in taking them on. Asset and Property Management will be included in the process once this initial identification has been carried out

Formulation planning and initial feasibility studies for Building Schools for the Future strategy. See Chapter 7.

Procurement

In our drive to achieve Gershon efficiency savings, under the National Procurement Strategy and in response to Sir John Egan's report relating to 'Rethinking Construction'; the Council has adopted and continued refining various forms of procurement options during 2008/09.

A number of construction projects have been procured using partnering, the most recent being Old Park. As a result of using partnering as the preferred procurement route, it has proved successful by engaging contractors' expertise earlier in the process, together with direct involvement with the supply chain and creating a 'win – win' approach to projects.

As of April 2008, a term contract was entered into covering the day to day maintenance of the P.I.P. A recent review of this contract highlighted an extremely pleasing number of positive responses from tenants and it is planned to role this out to operational buildings in 2009.

Option Appraisal and Life Cycle Costing

Embedded in the planning of construction projects associated with investment and disposal decisions, Asset and Property Management has implemented an option appraisal and life cycle costing policy/framework.

The policy includes suggested templates for option appraisal and life cycle costing development. All investment and disposal decisions above pre-defined levels require an option appraisal and life cycle costing assessment.

The construction industry has recently experienced a pragmatic shift in its approach to product delivery and the achievement of customer satisfaction. Where previously the design and construction teams placed a heavy emphasis on delivering buildings at the lowest capital cost, a greater awareness and desire to consider costs over the whole life of the building have prevailed.

Clients now want buildings which demonstrate value for money over the long term, and are no longer simply interested in the design solution which is the least expensive. These changes have led to and highlighted the importance of whole life-cycle costing approaches to the design, construction and operation of buildings.

An example of this is at the Bridge Special School, Brookside. The school is used as a teaching and assessment centre for children with special educational needs; the centre was in need of significant investment. However, following the option appraisal which identified that the site may be suitable for residential development, together with significant costs for what was an inherently outdated "SCOLA " building; the decision was taken to build new. The new site at the Malinslee development (see Appendix 2) opens in July 2009.

Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project, than standard economic methods that focus solely on first costs or on operating-related costs in the very short term.

Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This results in the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

7. Key Issues and Areas for Change and Development

Introduction

As a result of a number of factors including becoming a Unitary Authority, transfer of Community Assets and the Children's Act 2004, which created Community Services and Children and Young People; the Council has inherited a diverse range of land and property, often of varying standard and in which employees work in a range of differing ways/cultures.

There is now an urgent impetus for local authorities to reduce the cultural and physical barriers between portfolios and the creation of a more open infrastructure. In Telford this is likely to be achieved mainly via its main Civic buildings and also through reviewing the outlying satellite front line services, which are geographically sensitive.

Within Wellington), there is a wide range of properties and services. During the next three years and in conjunction with the Town Centre project, these will be reviewed, rationalised and consolidated.

This offers two interlinked and crucial areas of work:

- New Ways of Working
- Property Rationalisation

The two areas dovetail and complement each other and are governed by:

- Place shaping
- Partnership working
- Regional growth pressures
- Council re-shaping services
- Sustainability and environmental issues
- Equalities and diversity
- Efficiencies agenda
- Government challenge

Partnership Working

The establishment of local area agreements and public sector boards are driving major increases in partnership working and integrated service delivery.

There are aspirations that staff working in partnerships will be co-located with partners. This will impact on the demand and type of office accommodation dependant upon strategy. However, it is recognised that partner organisations may have their own work style, culture and statutory requirements.

Flexible accommodation is required to respond to the constantly changing nature of partnerships, and to enable new forms of integrated working to be established.

On behalf of the Shropshire Fire Authority, Asset & Property have acted as Client adviser on two projects outside The Borough. The first was at Craven Arms and involved an extension to an existing station. The second and more complex project currently underway is to rationalise the Headquarters building at Shrewsbury disposing of the operational elements and relocating this to newly built stations. At the same time the retained offices will be extensively refurbished to include flexible working. The excellent relationship established across these projects is likely to be mirrored in Telford with a review of accommodation here linked to Council needs and opportunities for co located services.

Regional Growth Pressures

Regional Planning Guidance outlines proposals for growth in the Telford sub-region of 1300 dwellings per year to be built up to 2016; consequently the Council will experience increasing demands for services and sustainable, quality infrastructures. This demographic growth will impact on Council Services. .

Council Re-shaping

The continual need to change service delivery leads to continual changes in Council structures which in turn impacts on property.

This offers major opportunities for liaison and planning between portfolios and partners, and in turn, questions service delivery with the inevitable review/rationalisation of property.

Sustainability and Environmental Matters

The Council's commitment to climate change is demonstrated by its "A Climate for Change"; for the community of Telford and Wrekin. This group has established a baseline for CO2 emissions for the Council, as outlined in the Council's travel for work plans.

Flexible and home working will be supported by the creation of new office environments and complementary facilities. Further contributions towards reducing the environmental impact of the Council's operations remain in consideration of "whole-life" value of buildings - the total life costs and material requirements, rather than initial build costs.

The strategy will result in specification for office buildings using fewer raw materials, and having lower energy costs; this will enable the replacement of outdated offices with high energy costs, with new efficient (and smaller) premises.

Equalities & Diversity

As detailed in Data Management (see Section 5.0), Management Data BVP 156 (Accessibility to Public Buildings) has been an important indicator for several years.

Accessibility for both the public and staff has been taken into consideration and is addressed through the collection and monitoring of data; regular meetings with the Council's Equalities and Diversity Officer, are also frequently conducted. Additionally, regular meetings have been held with service providers to consult on the suitability of operational properties.

"Equality Impact" assessments have now been completed throughout all areas of Asset & Property Management, and the following monitoring systems will be put in place over 2009/10 for future analysis and evaluation:

Property Investment Portfolio

A Lettings Policy will be published in 2009 to govern the lettings of commercial properties to both companies and individuals. To complement the Policy, letting enquiries will be monitored to establish the effectiveness of the Policy and how the Policy, together with spread and type of property, impacts on different groups.

Operational Property

Suitability Surveys are currently being updated and will include baby changing facilities within public buildings and their availability to both genders. This information has not previously been collected and should be complete by March 2009.

New Ways Working

Efficiencies Agenda

The efficiency agenda review requires local authorities to make efficiency gains as part of the budget strategy .

There is potential to release both capital value and save on rental payments and running costs from the Council's Operational Property.

Government Challenge

The Government is challenging local authorities in respect of their asset management strategies. The Office of Government Commerce has launched its report 'High Performing Property: Route Map to Asset Management Excellence'. This identifies a number of challenging targets for departments, and maps out the changes required to maximise best value from property portfolios.

As a major owner and occupier of property, the Council is required to justify holding land and buildings, and consequently to dispose of assets surplus to requirement. This echoes the Council's prime concerns in the property context, namely that we must:

- Not hold property unnecessarily
- Exeditiously dispose of property which surplus

A comprehensive paper detailing new ways of working within all Council office accommodation, is currently being prepared and will be used to identify existing space standards. Similarly building rationalisation in conjunction with the above drivers, could formulate the Council's service delivery.

Asset & Property Management have key tasks in designing high quality, sustainable, public realm space and public buildings. It offers significant challenges in re-assessing how we deliver public services, together with challenging existing ways of working. This area links closely with the Buildings Rationalisation Programme;

Changing Work Patterns and Culture

There is now a range of office options, such as "hot-desking", touchdown, open plan offices and the creation of flexible team, or group-working places, that support and encourage a flexible workforce. Many are completely mobile increasingly reliance on I.C.T In addition different agencies now offer combined services from individual premises, however, Council offices have remained substantially unchanged. Similarly the needs of Councils services have changed but again buildings have not kept pace with this level of change. In order to address these issues the Corporate Property Group has a standing item on the agenda and is looking to develop a strategy in 2009/10 that will define new ways of working. This will

significantly reduce the Councils accommodation requirements and allow services to be concentrated in better located and more modern premises.

8.0 Property Investment Portfolio

The Authority holds a total of 270 individual sites for investment purposes (see Section 10.0). Most were transferred to the Authority from the former Telford Development Corporation as part of a Community Related Assets balancing package.

The property portfolio is responsible by virtue of a Local Performance Indicator for producing annual revenue of in excess of £6m. This revenue is then used by the Authority to meet the on going cost of maintaining liabilities including open space, car parks and community centres.

The liability side of the Community Related Assets package is subject to claw back provisions. As such, a significant part of the capital receipt generated from any disposal, is paid to the Treasury rather than the Authority.

The values of the Portfolio are detailed in Section 10.0. Asset details are those currently included in the Authority's Asset Register and based on CIPFA valuation principles.

An independent assessment of the Investment Portfolio undertaken in January 2007 by GVA Grimley, reported "Asset Management of the PIP delivers significant value. The returns achieved have been very healthy. Measured on income return the Portfolio delivered 10% for 2005/06 compared with 6% for the IPD index nationally". GVA Grimley have been instructed to assess returns produced by the Portfolio for 2007/08, results of which will be available shortly.

During recent years the Portfolio has diversified away from being predominantly within the industrial sector. A far greater proportion of the value and revenue produced is now within the modern office sector. Consequently the Portfolio has a more balanced mix in terms of property sector, reducing overall risk to the Authority. The decision to diversify was taken following a detailed appraisal of the Portfolio which included performance, growth areas within the Telford property market and life cost analysis of the existing Portfolio.

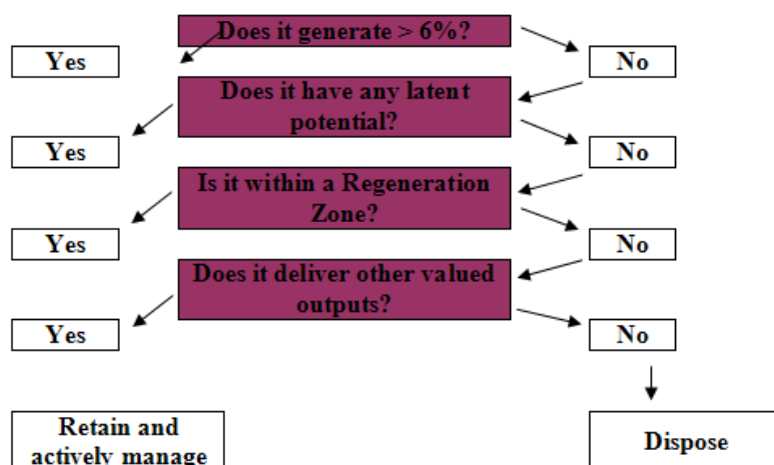
A five year plan to project rental income and return until 2012 was completed, and concluded, "net income is forecast to increase over the forthcoming five year period. The average net return is expected to be in the region of 10%".

The five year plan has since been adopted as a working document, and at present sets the bench mark against which financial performance of assets is measured.

The indicators against which financial performance is measured include rental and capital growth, return on capital investment and yield. Assets providing a return of less than 6% are identified and their performance analysed. Option appraisals and whole life cycle costing exercises are undertaken before a disposal is considered.

Additional measures of performance include the potential of assets to deliver socio-economic benefits, helping achieve the Authority's initiative to regenerate its Borough Towns and to Transform Telford. Assets are analysed according to their potential ability to place shape, act as catalysts and produce valued outputs such as employment creation. The present system used to monitor performance can be summarised with reference to the diagram below which outlines key questions and actions:

The Performance Monitoring and Measurement Process:



The Authority continues to enjoy close working relationships with a number of key partner organisations and stakeholders within the Borough including Telford and Wrekin Primary Care Trust, West Mercia Police, Parish/Town Councils and elected members.

Practical examples of partnership working include the acquisition and construction of new offices leased to Telford & Wrekin Primary Care Trust. Key local services are now delivered to the Borough from both Montford House and Edward James House, helping achieve the Corporate Vision to deliver, 'a successful, prosperous and healthy community, with a good quality of life for all people of Telford & Wrekin'

Asset & Property Management is also exploring the development of new purpose built doctors surgeries, Telford and Wrekin work with the PCT enabling the PCT to improve health and coverage throughout the Borough. Working in partnership with the PCT will ensure the best use of public sector assets and funding.

Assets & Property Management work closely with Transforming Telford (the Council's inward investment agency), Business Link and Shropshire Chamber of Commerce to secure new lettings of its investment properties, attract inward investment, and help job creation within the Borough.

Asset & Property Management are now delivering multi million regeneration projects at many of Borough Towns (see Section 7.0). Properties held within the investment portfolio are being used as catalysts for regeneration Practical examples include the use of properties at Walker Street, Wellington as part of site assembly

The regeneration schemes will deliver significant socio-economic benefits to local communities and provide the investment portfolio with new properties. Developments at Randlay and Leegomery will see existing investment properties replaced with new commercial units and in the case of Leegomery, a purpose built day care facility . All are intrinsically linked to the achievement of the Corporate 'Borough Towns Initiative' and overarching Corporate Vision.

Once constructed the new Borough Centres shall host digital CCTV systems, helping to create safer communities. Consultation and briefing events have been held with key stakeholders including English Partnerships, town/parish councils, elected members, Council tenants and local communities.

Asset & Property Management are actively pursuing a programme of rationalisation, and have continued to dispose of poor performing investment properties which have limited rental and capital growth prospects and significant repair and maintenance liabilities. Current examples include 5 Walker Street, Wellington and 65 New Street, Wellington

Key Achievements 2008

- Completion of Asbestos and Condition Surveys for all investment properties.
- Acquisition of new office and industrial premises including, Edward James House and units C4 and D1 Queensway Business Park
- Completion of new office and industrial developments at St Georges Court and Phase 2 Hadley Business Park (see Case Studies). Both developments have achieved a good BREEAM rating, and conform to national policies regarding sustainability and energy performance. St Georges Court won official praise from Telford's Friends of the Earth branch.
- Service charge and Letting procedures successfully amended ensuring compliance with the Code of Practice for Leasing Business Premises 2007 and Service Charges 2007, as established by the Royal Institution of Chartered Surveyors.
- The implementation of a Term Contract for repair and maintenance of investment properties, has resulted in effective monitoring of the quality of repairs, value for money and an improved level of service to clients.
- Introduction of a dedicated repair & maintenance Help Desk facility, enabling clients to report repair requests effectively and improve customer services.
- Development of a robust Precedent Lease ensuring that agreements granted protect the Authority, and are understandable to clients.
- Introduction of a comprehensive Tenants Handbook, to include a clear Lettings Policy and incorporation of the Corporate Policy on Equalities & Diversity .

Plans and Developments 2009

- Obtain external assessment on the performance of the Property Investment Portfolio for the financial year 2007/08.
- Analyse Condition Survey data to understand extent of liabilities and formulate planned programme of repair and maintenance works, and enforcement of lease covenants. The programme shall ensure the overall condition of assets within the investment portfolio is managed.
- Development and implementation of Traffic Light System with which to assess the retention of assets within the investment portfolio. Assets to be scored annually against criteria including, Condition, Financial Return, Portfolio Mix, Regeneration and Community Benefit. Development of planned disposals and acquisition programme.
- Development of new properties capable of achieving the highest possible BREEAM rating, and conforming to national policies regarding sustainability and energy performance.

- Identifying and securing external sources of funding, to help finance the development of new investment property.
- Ensure all investment properties comply with the EU Directive on Energy Performance of Buildings. Energy Assessments for investment properties will be completed in conjunction with those for corporate properties.
- On going application of robust debt recovery procedures, in conjunction with the Authority's Business Revenues and Legal Services Business Units.
- Achieving the Investment Portfolio income target whilst being proactive in the assistance of clients in the current economic downturn.
- Improve and expand methods of marketing void properties. Encourage closer working with inward investment agencies such as Transforming Telford, Business Link and Shropshire Chamber of Commerce in order to minimise voids and minimise chances to Empty Property Rates Relief effective April 2008.
- Encouraging greater use of conditional break options, surrender premiums, rent deposits and guarantees to reduce the risk produced by market demand for more flexible lease terms.
- Continued reinvestment in properties for the Investment Portfolio, that offer rental and capital growth, reduced liabilities and improved energy efficiencies. A brief explanation of completed developments is outlined below headed 'Case Studies'.

Case Studies of Recent Developments

Phase Two, Hadley Business Park, Hadley

Financed in part by The European Regional Development Fund, Phase Two Hadley Business Park was completed September 2008. The development has transformed an existing industrial estate To provide high quality provision

The multi million pound project has replaced industrial premises no longer fit for purpose, with modern workshops, which comply with BREEAM standards. The properties have been marketed available for lease to small medium size enterprises and black ethnic minority groups.

Phase Two has provided six high quality starter units arranged in size from 240m² to 450m². Set within a secure environment with the majority of the scheme successfully let. Hadley Business Park has helped safeguard existing businesses, deliver new employment opportunities, and transform Telford. The development is expected to provide the investment portfolio with a return of 9% in its first year.

St. Georges Court, Donnington

Financed in part by The European Regional Development Fund, St Georges Court was completed April 2008. The development consists of three high quality office blocks, ranging in size from 53m² to 399m². The scheme has greatly improved a major gateway into Donnington.

To reinforce links with the local community, each of the blocks were named in connection with the engineering achievements of Thomas Telford. They are Conwy House, Montford House and Longdon House.

The development has been particularly successful and now enjoys 100% occupation. It is expected to provide the investment portfolio with a return of 10%.

Land Strategy

The land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc.. and amount to some 300Ha. Specifically the area excludes the site area of built operational and non-operational assets (which extends to some 700Ha).

The aim of the Land Strategy is to undertake a detailed appraisal of each individual land asset by collating information from a number of sources into a single database. The information for each site includes the following key information:-

- Site Description
- Site Area
- Existing Use
- Suitability for disposal
- Potential for alternative use
- Legal issues
- Planning issues
- Engineering information
- Regeneration considerations

The information collated will be used to categorise each land asset. A Traffic light System of categorising has been adopted as follows:

Red – Land suitable for disposal without further investigations

Amber – Land that may be suitable for disposal but where further investigations are required before a decision is made e.g. Engineering Desk top study, Planning application.

Green – Land to be retained

The land strategy is in development with all the information being collated. On completion of the initial phase the Council will have a schedule of Assets against the three (traffic light) categories. This will then allow the Council to produce a programme over the next 5 years to assess those assets that are categorised as Amber and to prepare a schedule of disposals for those Assets categorised as Red.

The Land strategy, Operational strategy and PIP strategy will all connect and form the Councils approach to Asset Management

9.0 Under-Use and Disposal (Operational Assets)

Property Review and matching Provision to Need

The Council's Asset Management and Property Review activities are designed to identify areas of mismatch between existing asset provision, and current and future requirements corporately and within specific services.

Property reviews examine capital and revenue options and address areas of mismatch, rationalisation, generation of capital receipts, inter-agency sharing of property and opportunities for alternative service provision.

Now that all the suitability data has been captured and the weighting and scoring has been completed, this approach will inform us of the areas to target for property review.

A property review has commenced assessing current position of buildings, and whether a rationalisation of assets could be implemented so as to improve the overall quality of the building stock. The assessment will continue in 2009/10 and an implementation strategy will be developed based upon the findings of the review.

The continuing growth and development of the Borough ensures that services and facilities are constantly reviewed, with major implications for property holdings and asset management. The Authority is committed to maximising the long term return on its investment, through the provision of new accommodation of high quality, thermal efficiency and life expectancy, and of low maintenance demand.

As a former New Town, much of the development land is still retained by Homes & Communities Agency English Partnerships and therefore covered by Sec 7 (i) planning approvals. There is therefore limited opportunity of achieving planning gains for community schemes, as would arise in more traditional developments where contributions would arise for transport and infrastructure costs.

Disposal Programme

A Disposal Programme is created and reviewed annually as part of the Council's Capital Strategy. The Programme identifies the planned disposals for the current year, the targeted schemes for the following year, and a schedule of opportunities in year three and beyond.

This programme is significantly informed by the Council's bespoke Operational Suitability surveys (see Section 5 Data Management). These not only include weighting depending upon service, but also valuations based on alternate use value rather than existing asset value.

This does not rule out windfall disposals, which can arise through special market conditions.

As part of the corporate approach, capital released from disposals is returned to the corporate "pot" to be allocated against the Council's priorities in the first instance; but some disposals are specifically undertaken to support specific reinvestments. The decision making process is taken within the service and financial planning group as detailed in Section 3.

Building Rationalisation

Many buildings are unsuitable for current service needs. In addition they are outdated and inefficient to run with high running costs and potentially high future maintenance costs. As part of the Asset Management Data (section 10) we compile a whole range of data against each property including its suitability via meetings with the service providers. As a result we have developed a weighted scoring system with traffic lights to highlight unsuitable properties. This analysis may identify clusters of buildings as at Wellington.

Town Centre Regeneration

The regeneration of Telford Town Centre to create a mixed use scheme combining leisure retail residential and office uses in an 18 hour economy, has long been identified as a priority for Telford and Wrekin Council.

Borough Towns Initiative

The regeneration of Borough towns is a key Council priority. The Council has substantial property holdings in several centres, e.g. Wellington, Dawley. Innovative ways of regenerating these towns in a sustainable manner, whilst improving our Operational and Property Investment Portfolio are being explored.

Dawley & Malinslee

The regeneration of Malinslee Centre, including the amalgamation of two primary schools; together with a new shopping centre, health facilities and housing is seen as Notable Practise under our 2008 CPA Assessment. (CPA Notable Practise Submission - see Appendix 2).

Originally the 'New Town' corporation offices were located at Dawley and until summer 2007, these were leased out as starter units. Adjoining Dawley there is 90 hectares of 'Brownfield land', transferred to the Council in the early 1990's.

The Council is proposing to bring this area back into beneficial use, by developing a mixed use scheme including residential, employment and leisure uses, via a joint venture agreement with the Private Sector. This proposal will link to Dawley and provide a significant stimulus to place shaping, redevelopment and regeneration.

Wellington Centre

As previously outlined, Wellington contains significant operational properties. Within this area there is the Telford Registry Office, Wellington Library, Leisure Centre and office accommodation.

Additionally, there are other offices within the area having sensitive and non-sensitive geographic issues. Many are converted Victorian houses, with high maintenance and energy costs located outside the main ring road.

A feasibility study has been prepared to co-locate the Registry office and Library with other Council offices, to the existing leisure centre and rationalise existing offices. This will help regenerate Wellington by consolidating a significant number of staff in a purpose built, central, land mark building, incorporating 'new ways of working'. This will be on the edge of the retail core and will have strong links between the two.

In January 2009 the council completed the acquisition of an adjoining property to complete the land assembly with the aim of starting on site Autumn 2009.

Madeley Centre

Madeley centre was a typical pedestrianised, 1960's shopping precinct; which suffered from various problems of anti social behaviour and lack of investment.

A number of shops were closed as retailing patterns changed and the centre was failing to fulfil its function in the south of Telford.

Options to regenerate the centre were considered and in May 2005, the centre was disposed of and a redevelopment brief requiring demolition of large areas, the building of new retail units connecting of the High Street and the construction of a 2,500 sq metre supermarket to anchor the scheme agreed. The retained Council property including the Library will see significant investment as part of the terms of disposal, including the installation of a lift to ensure the building is accessible to all .

Works started in June 2008 and are expected to be completed with the opening of the new shops at the end of 2010.

Leegomery Centre

Leegomery was a typical local parade of shops Constructed in the 1970's, it had suffered from anti-social behaviour and was out dated by modern standards.

A fire in 2006 destroyed two of the four shops. An option appraisal was undertaken to explore alternative forms of redevelopment. This included land assembly to reshaping the area with a modern energy efficient mixed use development. Unfortunately, disposal of the site faltered the "Credit Crunch." In January 2009 Cabinet approved the construction of the new centre with the intention of later residential once the market returns. Construction started in February 2009

Randlay

Randlay is a similar centre to Leegomery although rather than suffering from fire damage, the shops have been found to have a structurally unsafe roofing system. In addition, the adjoining community centre requires substantial investment to bring up to modern standards. Again, rather than simply rebuilding/repairing these faults, which would have been very costly, the possibility of potential redevelopment was explored. An outline planning consent was obtained and the site put to the market to include a new parade of shops and importantly for the community a new community centre attached to neighbouring school. A residential care operator has purchased the site and construction is due to start in 2009.

Newport

The Council has limited ownership within Newport although it does own the 2 major parks and areas of amenity land..

In order to engage with the public extensive consultation was entered into with a view to establishing the communities preferences on several options. A further period of consultation is due to start in February 2009 to establish exactly which option to pursue regeneration in Newport..

Building Schools For The Future

The Council was awarded funding for Wave 4 of the Governments Building Schools For The Future Programme in 2007. This is a one off chance to completely transform secondary education and community buildings within the Borough as part of a £200 million vision to create 'Campus Telford'. Asset & Property advise on all 'Technical' aspects of this project. T

In order to deliver real transformational change the Council has considered co locating secondary education with primary schools and leisure/community facilities. In certain cases this will involve closing certain facilities disposing of the sites and re locating them elsewhere. Some school locations will change to provide better coverage across the Borough. The proposals will include some new schools and the remainder being remodelled. In order to meet the Partnership For Schools timescales an Outline Business Case was submitted in November 2008. This included an Outline Planning Application for the first pilot school the Abraham Darby School.

Assuming acceptance of the Business Case much of 2009 will be spent in procuring the contractor through an exacting selection process. This contractor will provide all the schools with Abraham Darby set to start in Spring 2010

In addition further financial modelling will need to be undertaken based on schools requirements and reflecting the reduced capital receipts from land sales due to the 'credit crunch'.

10.0 Asset Details

Statement of Assets

The analysis of assets held by the Council comprises the following as assessed in accordance with CIPFA guidelines (valuations as at 1st Quarter 2004):

Information on Operational Assets Held (Owned Corporately by the Authority)

Fixed Assets Utilised by the Council		Total Values*
Emergency Planning Centre	1	£200,000
Bus Stations	4	£451,500
Cemetery Building	1	£1
Changing Rooms & Pavilions	12	£984,650
Children's Homes	2	£250,000
Community Centres	6	£929,000
Travellers' Sites	2	£1,075,000
Hostels, Refuges, Homeless & Sheltered Accommodation	3	£1,685,000
Ice Rink	1	£1,700,000
Leisure Centres	4	£7,679,000
Libraries	8	£2,731,000
Municipal Golf Course	1	£1,300,000
Nursery Schools	1	£216,000
Offices	14	£9,883,200
Outdoor Activity Centre	1	£200,000
Primary/Infants/Junior Schools	55	£68,277,000
Public Conveniences	3	£102,000
Secondary Schools	10	£61,342,000
Ski Slope	1	£305,000
Special Schools	3	£6,016,000
Swimming Pools	2	£1,502,000
Theatres	1	£1,500,000
Training/Day Centres & Residential Care	4	£1,864,500
Visitors (Spout Farm)	1	£250,000
Youth Projects	6	£881,800
Joint Service Facility (Swan Centre)	1	£1,213,000
Pupil Referral Units	3	£527,500
Children Centres	2	£1,950,000
First Point Centres (Former Hadley Library)	1	£60,000
TOTAL	154	£175,075,151

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	4	See PIP table for asset value
Training / Day Centre	2	See PIP table for asset value

* These values are as set out under CIPFA guidelines and therefore may not reflect open market values

Leased in (Private External Landlord)

Property Type	Quantity
Offices	6
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
TOTAL	8

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£500,000
Offices	21	£16,038,472
Retail	30	£7,818,120
Industrial	29	£22,398,678
Miscellaneous/Ground Rents	148	£5,715.137
Sites for eventual disposal	40	£6,010,004
TOTAL	270	£58,480,411

The values detailed above are currently as included in the Council's Asset Register and are therefore based on the CIPFA valuation principles of that Register.

The following tables identify condition backlog for Operational and Educational properties over the next 5 years as at January 2009.

Operational Property

Fixed assets utilised by the Council	No	Priority 1	Priority 2	Priority 3
Emergency Planning Centre	1	£5,000	£6,250	£10,000
Bus Station	4	£8,275	£10,750	£15,550
Cemetery Buildings	1	£3,188	£101,763	£517
Changing Rooms & Pavilions	12	£14,303	£112,157	£190,759
Children's Homes	2	£0	£82,861	£84,386
Community	6	£36,248	£117,357	£233,401
Travellers' Sites	2	£0	£165,357	£57,181
Hostels	3	£60,393	£57,811	£70,723
Ice Rink	1	£1260,708	£1,050,130	£292,617
Leisure Centres	4	£104,545	£358,574	£1,139,101
Libraries	8	£1,339	£101,285	£609,484
Municipal Golf Course	1	£22,927	£8,067	£61,121
Offices	24	£153,416	£897,176	£1,649,796
Outdoor Activity Centre	1	£4,450	£364,423	£171,237
Public Conveniences	3	£4,456	£22,164	£8,593
Ski Slope	1	£3,348	£71,374	£13,987
Swimming Pools	2	£27,769	£262,199	£326,437
Theatres	1	£0	£4,386	£112,493
Training/Day Centres & Residential Care	6	£34,101	£279,009	£435,521
Visitors	1	£0	£3,300	£15,629
Youth	6	£60,509	£102,516	£121,208
Joint Service Facility (Swan Centre)	1	£123,453	£8,329	£241,492
First Point Hadley	1	£0	£2,029	£5,192
TOTAL	93	£1,928,428	£4,189,267	£5,866,425

Education

Property Type	No.	Priority 1	Priority 2	Priority 3
Secondary Schools	10	£1,428,696	£4,909,884	£6,775,950
Primary/Infants/Junior Schools	55	£917,908	£4,071,864	£6,510,869
Special Schools	3	£20,512	£103,471	£318,172
Nursery Schools	1	£9,611	£3,670	£32,797
Children's Centres	2	£0	£0	£1,921
PRU	3	£33,320	£23,896	£114,664
TOTAL	74	£2,410,047	£9,112,785	£13,754,373

*Note: Hadley PFI / Jigsaw / Madeley Academy / Abraham Darby Academy have not been included within the above figures.

The annual capital programme allocation for property condition has been increased and will be reviewed annually against the backlog categories. The three year budget announcement allows a planned approach to building maintenance. The Planned programme for 2009/10 will be assessed by Cabinet in February 2009.

The budget allocations do not take into account the capital investment relating to amalgamation of schools, and the potential investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process

11.0 Property Performance Indicators for all Operational Properties Including Schools (excluding Property Investment Portfolio)

The use of property performance indicators is recommended and endorsed by the Communities for Local Government (CLG) and the Department for Children Schools and Families (DCSF), as a valuable means of measuring and comparing performance in Asset Management.

The existing Property Performance indicators originally established by the Office of the Deputy Prime Minister (ODPM) and Association of the Chief Corporate Property Officers (COPROP) have now been superseded by the National Property Performance Management Initiative (NAPPMI) – Property Performance Indicators. These indicators allow the Authority to measure performance of:

- Condition and required maintenance
- Accessibility of public operational buildings
- Building suitability for service delivery
- Environmental Property Issues

Furthermore, Telford and Wrekin Council is a member of the “Octopus Benchmarking Group”; which consists of eight authorities throughout the Country of similar size and design. The group enables all members the opportunity to compare, share and debate issues relating to Asset Management of both Operational and Investment Properties.

National PMI 1 – Condition and Maintenance

Objectives

- Measure the condition of the asset for its current use
- Measure changes in condition
- Measure the annual spend on required maintenance

- Illustrate the severity and extent to which maintenance problems affect the property portfolio
- Assist in development of detailed information on required maintenance
- Encourage authorities to invest in planned maintenance
- To show year-on-year changes in required maintenance
- To show the annual spend on repair and maintenance

Definition - Required Maintenance (Backlog)

Required maintenance is the estimated cost to bring the property from its present state to the state reasonably required to deliver the service and/or to meet statutory or contract obligations and maintain it at that standard.

Definition of condition categories:

- A: Good** – Performing as intended and operating efficiently
- B: Satisfactory** – Performing as intended but showing minor deterioration
- C: Poor** – Showing major defects and/or not operating as intended
- D: Bad** – Life expired and/or serious risk of imminent failure

INDICATOR: 1A - % Gross Internal Floor-Space in Condition Categories A - D

Category A

- 4% of the **School Property** Gross Internal Area (GIA) is in condition category A
- 3% of the GIA of **Operational Property** GIA is in condition category A

Category B

- 51% of the **School Property** GIA is in condition category B
- 56% of the GIA of **Operational Property** is in condition category B

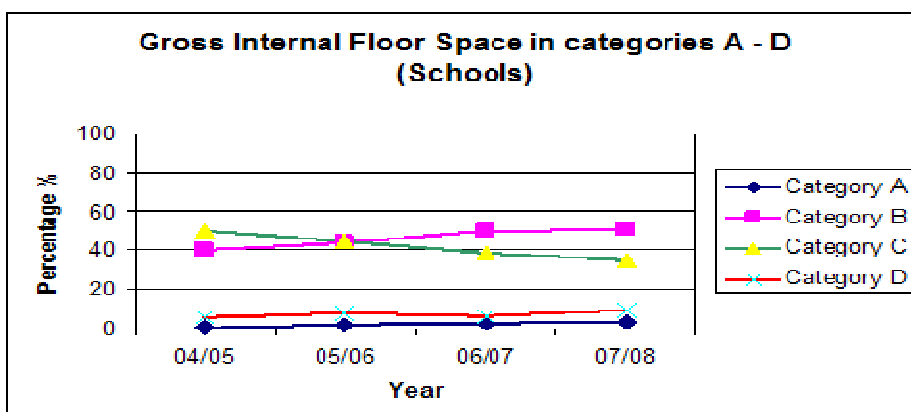
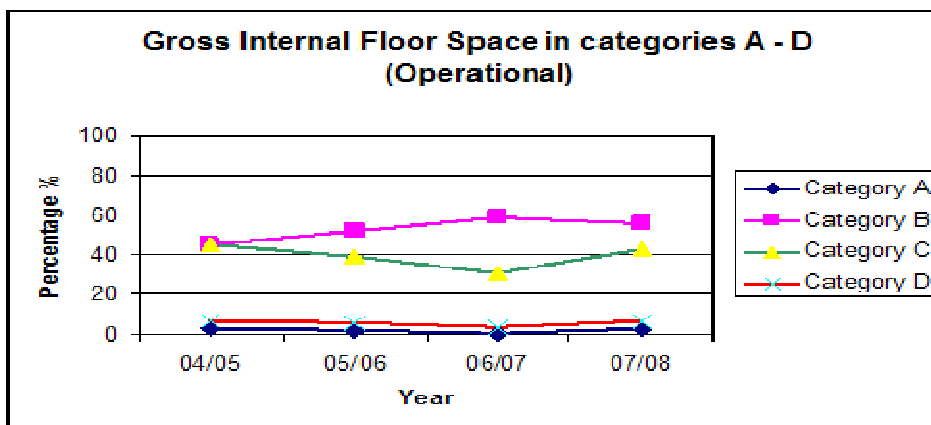
Category C

- 35% of the **School Property** GIA is in condition category C
- 34% of the GIA of **Operational Property** is in condition category C

Category D

- 10% of the **School Property** GIA is in condition category D
- 7% of the GIA of **Operational Property** is in condition category D

The following graphs for Operational and School properties identify the historical trends relating to condition data. From the data it can be seen that the category C and D elements (Poor and Urgent) are being reduced. This demonstrates that the prioritisation framework outlined in the Asset Management enables the Council's property stock to be maintained to a satisfactory level to allow for continued improvements to service delivery.



PMI INDICATOR 1B

Definition of priority levels:

Priority 1: Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.

Priority 2: Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of the occupants and/or remedy a minor breach of the legislation.

Priority 3: Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to health and safety of the occupants and/or remedy a minor breach of the legislation.

INDICATOR 1Bi : Required maintenance by cost expressed as a total cost in priority levels 1 – 3

The total cost of priority level 1-3 works for all operational property (including schools) is £37,261,325.

This figure is split as follows:

- Operational Property - £11,984,120
- School Property - £25,277,205

INDICATOR 1Bii : Required maintenance cost expressed as a % in priority levels 1 – 3

Priority 1 Works –

- 17% of **Operational Property** is in priority level 1
- 10% of **School Property** is in priority level 1

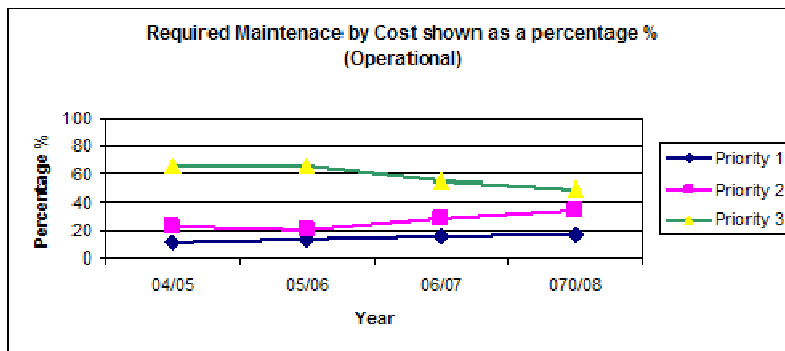
Priority 2 Works –

- 34% of **Operational Property** is in priority level 2
- 36% of **School Property** is in priority level 2

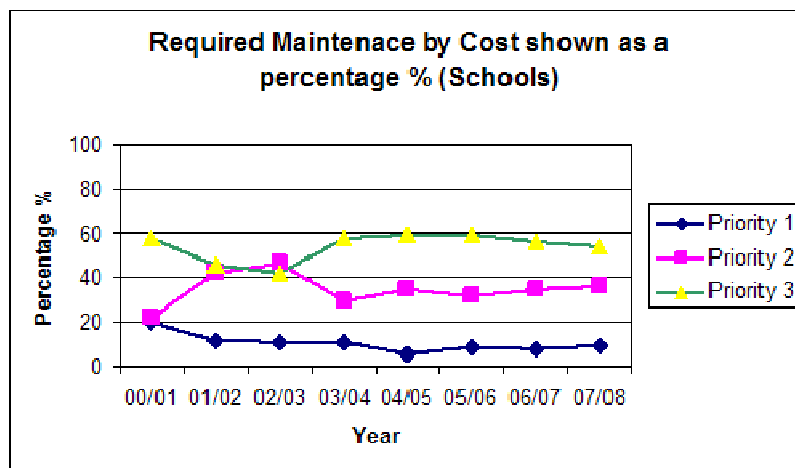
Priority 3 Works –

- 49% of **Operational Property** is in priority level 3
- 54% of **School Property** is in priority level 3

The following graph identifies the percentage trend over a four year period for required maintenance cost in priority terms for Operational Property. The data shows a slight increase in the costs for priority 1 and 2. However in real terms the costs have been reduced. The data is subject to inflation as per the construction industry indices. Over the three year period construction costs have risen by 17% based on the Building Cost Information Services (BCIS) costing information.



The following graph identifies the percentage trend over a seven year period for required maintenance cost in priority terms for School Property. The data shows a decrease in priority 1 costs and a slight rise in priority 2 and 3 costs. However in real terms the costs have been reduced. The data is subject to inflation as per the construction industry indices. Over the seven year period construction costs have risen by 17% based on the Building Cost Information Services (BCIS) costing information



Indicator 1Biii : Required maintenance by cost expressed as an overall cost per square metre gross internal area (GIA)

Indicator 1Biii equates to £145.62.00 per m2 of GIA. This is a slight increase over the previous years overall costs due to inflation within the construction sector running at approximately 6% per year.

INDICATOR 1C – Annual percentage change to total maintenance figure over previous year -0.02%

The reduction in the overall maintenance costs is due to building rationalisation, mainly as a result of the reduction in GIA due to the amalgamation and rebuilding of the primary school stock and disposals of operational property. This is in response to the Government’s agenda to maximise the use of the Authority’s property stock. With the investment of the Building Schools for the Future funding over the next 10 years and the Council’s building rationalisation programme, it is envisaged that this will reduce further.

PMI INDICATOR 1D

Indicator 1Di: Total spend on maintenance in previous financial year

Total spend on maintenance in 2007/08 financial year for schools and operational property was £3,498,816

Indicator 1Dii: Total spend on maintenance per square metre GIA

For 2006/07 was £13.65 based on figures extracted from the Council's financial accounting system. For 2006/07 this figure was £13.88. The reduction identifies the value for money that Asset & Property provide by maintaining and slightly reducing the overall cost of maintenance.

Indicator 1Diii: Percentage split of total spend on maintenance between planned and responsive maintenance.

Responsive maintenance was 46% of the total spend and planned maintenance was 54% of the total spend during 2007/08, based on data extracted from the Authority's financial accounting system. This is a change from the previous years figures where responsive maintenance was the higher percentage. This demonstrates that the Authority have embedded Asset Management principles taking a greater approach to planned maintenance.

Data Interpretation

Benchmarking

The Institute of Public Finance (IPF) Property Asset Management Network is used for benchmarking. As authorities are still in transition between the old and new indicators, comparison data is not comprehensive. Benchmarking within the Octopus Group is difficult at present as not all authorities have submitted their data for comparison.

PMI 2 – Energy/Environmental Property Issues

Objective

- To encourage efficient use of assets over time, year-on-year improvements in energy efficiency
- To reduce environmental impacts of LA operational property
- To highlight areas of poor or mediocre energy and water efficiency/performance, and act as a catalyst for improvement
- To compliment the process for 'Energy Certificates'
- To support the LA's assessment of property performance, together with condition and suitability within the framework of Asset Management Planning
- To inform the Climate Change Strategy Group and monitor the impact of carbon reducing initiative

The quality of the energy data held within the AMP software is improving each year and therefore the reporting capability is becoming more accurate and reliable, however due to this comparison over past years is difficult.

Definitions

Local authorities must also be able to obtain this information on a per building basis to comply with EU directives regarding energy certificates. This only applies to operational buildings over 1000m².

- Energy incorporates electricity, gas, coal and oil (excludes water)
- Gross Internal Area (GIA) is inclusive of stairwells, landings, partitions, circulation corridors etc.

CO2 Emissions

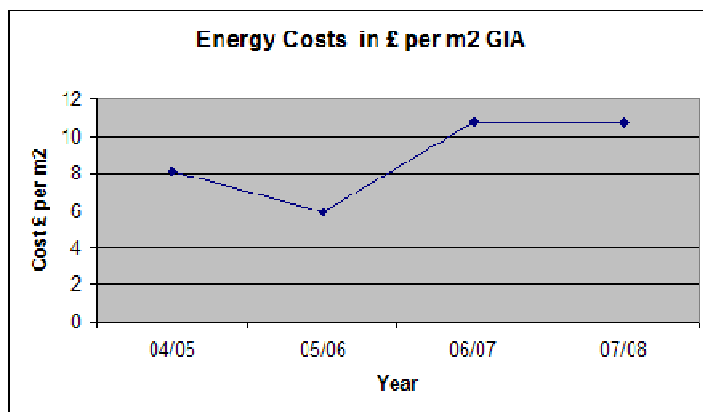
- CO2 emissions data will fit with the UK's Climate Change Programme targets
- To be reported for operational
- Properties occupied by the Local Authority, including schools, (excluding housing / dwellings)

INDICATOR 2A – Energy costs/consumption

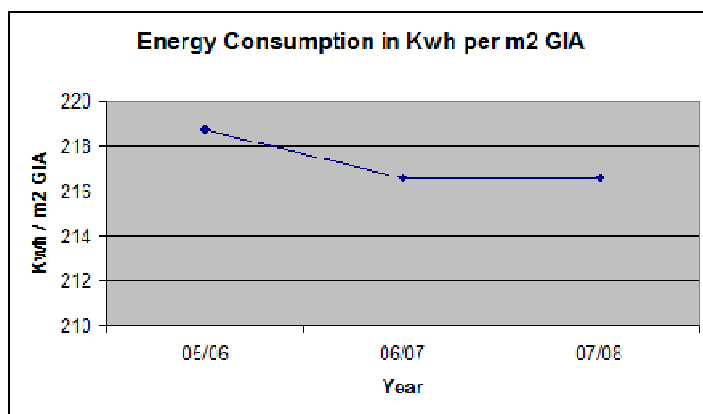
The cost for all operational buildings including schools is:

- £ spend per m² GIA – £10.75
- Consumption kwh per m² GIA – 216.59

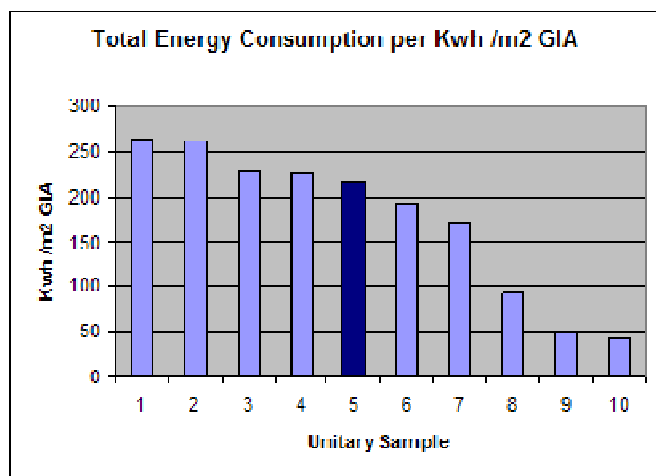
The graph below identifies that there has been an increase in energy costs over the last 2 financial years. This is mainly due to the cost increase in the supply market. It is expected that this will increase further for the next financial year; however the Council is taking all steps possible via energy campaigns and environmental policies to keep cost increase to a minimum; and reduce the councils CO2 emissions.



The below graph identifies that there is an overall trend that consumption is decreasing. This is achieved by investment in the Councils properties and environmental strategies. Monitoring of the Councils energy use also enables action to be taken for assets which have high energy use.



The below graph indicates how the energy consumption of Telford and Wrekin Council compares to other unitary authorities.

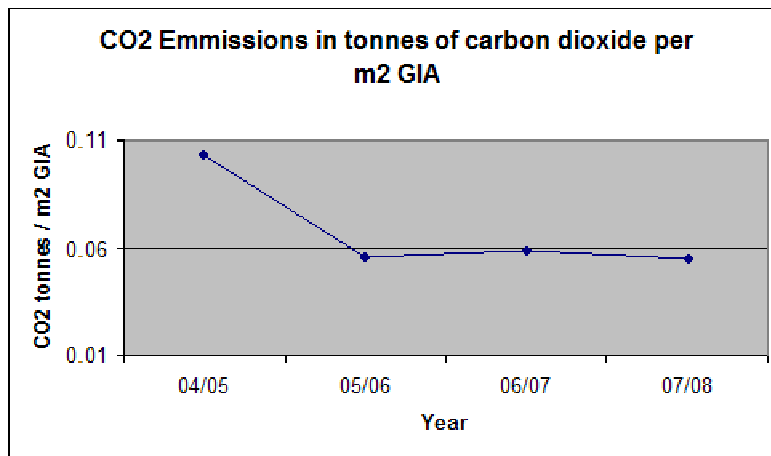


INDICATOR 2C – CO2 EMISSIONS - reported by property category in tonnes of carbon dioxide per m2 GIA

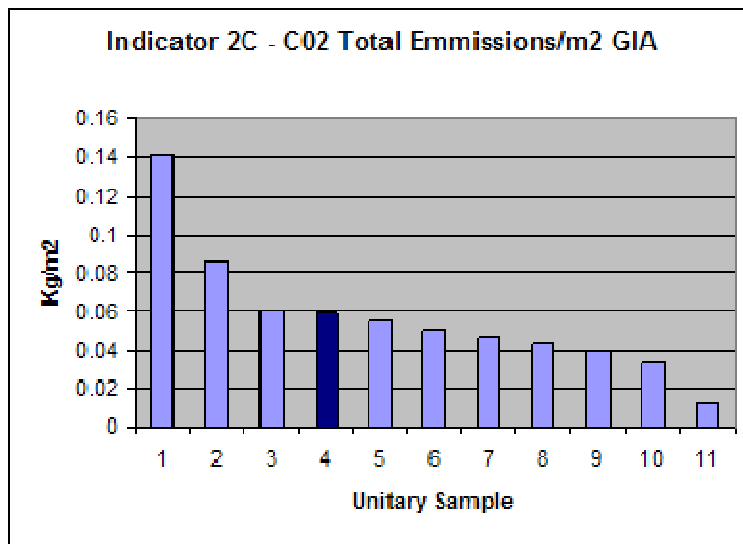
The following table identifies tonnes of CO2 per m2 GIA across energy reporting categories.

Property Category	Tonnes CO2 per m2
Schools	0.052
Accommodation	0.074
Children & Young People	0.058
Community Centres	0.036
Hostels	0.041
Leisure	0.0104
Libraries	0.047
Social Care	0.061
Youth	0.040
Others	0.086

The total CO2 emissions for the Authority for 07/08 equates to 0.05 tonnes per m² GIA. The graph below identifies that this is a slight increase on the previous year's figures. It should be noted however that indicator 2A identifies consumption is reducing. The most likely reason for the increase in CO2 is due to the Council's investment in ICT. Electric produces more CO2 per KWH than gas or oil.



As an Authority, Telford and Wrekin produce average CO2 emissions when benchmarked with other unitary authorities. This is identified in the following graph.



PMI 3 A and B - Suitability Surveys

Objectives

- To encourage local authorities to conduct Suitability Surveys, enabling them to identify how assets support and contribute to the effectiveness of frontline service delivery i.e. are they fit for purpose?
- To ensure local authorities are undertaking Suitability Surveys
- To enable the local authorities to understand their Asset Base
- To ensure property meets the needs of the user
- To enable key decisions to be made

Definition

There is no national standard for assessing suitability of non-education properties; each authority is free to develop their own process and this therefore makes consistent benchmarking difficult.

The methodology adopted by Asset and Property Management allows a weighting to be applied to certain factors that are particularly important; therefore overall percentage

property compliance can be determined, resulting in a building performing either poorly, satisfactorily or good.

Suitability for schools is assessed on a national standard and reported directly to the DFES. The assessments below exclude schools and non-operational property.

INDICATOR 3A - Percentage of portfolio by GIA sq.m., for which a suitability survey has been undertaken over the last 5 Years

Suitability surveys have been undertaken on 96% of the GIA for operational property. The remaining 4% of properties that are yet to be surveyed are either new investments or are currently under major refurbishment. These will be surveyed during 09/10

When compared against the Unitary Authority benchmark, Telford and Wrekin Council perform above average being in the upper quartile of Authorities sampled.

INDICATOR 3B - Number of properties, for which a suitability survey has been undertaken over the last 5 years

Suitability surveys have been undertaken on 75 operational properties out of a possible 81 that require surveys. It is deemed that the remainder of the properties do not require a suitability survey due to the nature of the building use.

Comparison of historical data is not possible at present. However the results are instrumental in determining the planned programme of work for all our operational buildings, and a significant part in our overall property review analysis. Many questions asked are paramount to service delivery from each property.

Future efforts will be concentrated on improving the suitability of all buildings assessed at less than 50% compliance, indicating they are performing poorly, or considered for relocation or disposal.

An example of this was Gower Street Youth Project, a building where the boiler had failed and all the relevant AMP data, including the suitability survey which showed a building not fit for purpose, proved that the proposed expenditure needed to be seriously reviewed.

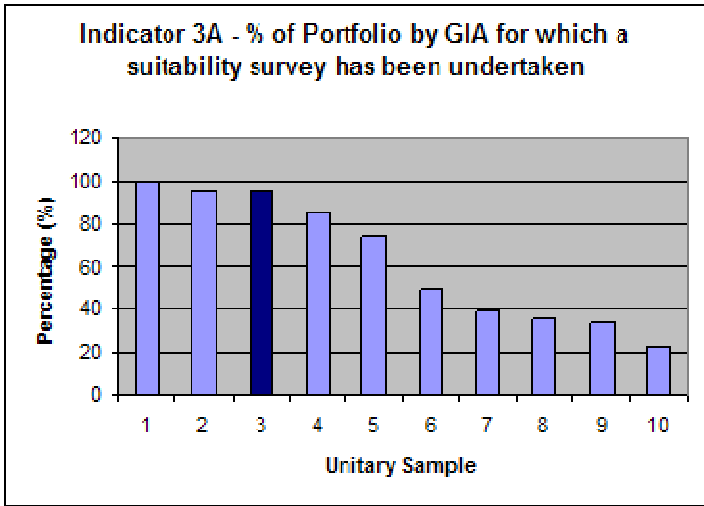
To reflect this, a local indicator has been compiled to show all 3 categories.

Benchmarking

Benchmarking on suitability has been possible to a limited extent, against the IPF data for unitary authorities.

Telford and Wrekin Council compares well on percentage of surveys undertaken and number of premises surveyed. Only two other Octopus authorities have shared their information to date, they indicate that between 60% and 69% of their properties are performing satisfactory or good compared to 85% of Telford and Wrekin Council.

Once more comprehensive benchmarking results become available, direct comparisons and analysis will enable any underlying reasons for variance examined.



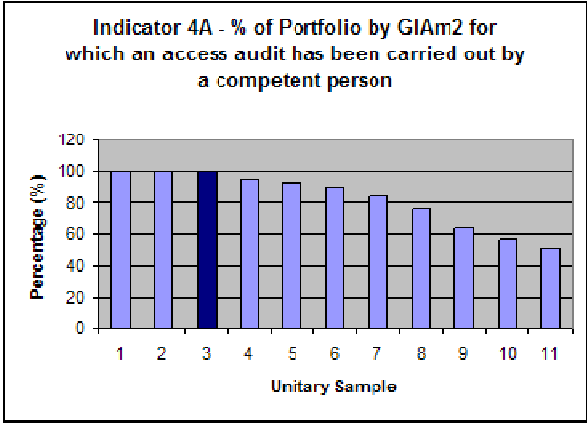
PMI 4 A, B, C and D – Building accessibility surveys

Objectives

- To monitor progress in providing access to buildings for people with disabilities
- To monitor the progress at which local authorities carry out access audits
- To enable key decisions to be made

INDICATOR 4A - % of portfolio by GIA sq.m., for which an access audit has been undertaken by a competent person

Access audits have been undertaken on 100% of the school property portfolio and 100% of Operational properties (Operational properties as part of BVPI 156 criteria).



INDICATOR 4B - Number of properties, for which an access audit has been undertaken by a competent person

Access audits have been undertaken at 74 schools and 73 Operational properties (Operational properties as part of BVPI 156 criteria, i.e. are open to the public).

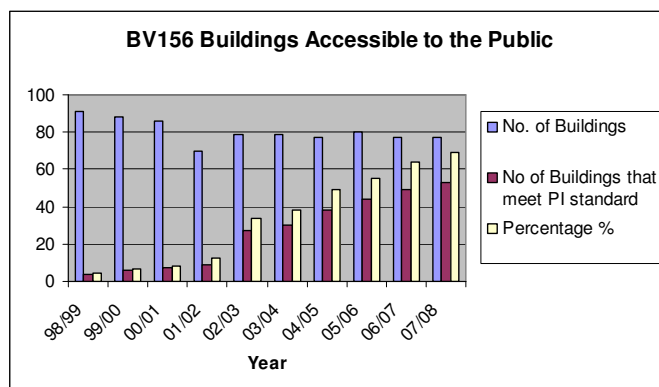
INDICATOR 4C - % of portfolio by GIA sq.m., for which there is an accessibility plan in place.

A strategic accessibility plan has been developed for 100% of school properties.

INDICATOR 4D - Number of properties, for which there is an accessibility plan in place.

An accessibility plan has been developed for 74 schools.

INDICATOR BV156 – Accessibility to Public Buildings



Although not a national indicator the Authority still collect data to assess the Accessibility to public buildings. As of January 2009 the Authority has 74% of its building areas that are open to the general public are deemed to be fully accessible.

LOCAL INDICATORS

Suitability / Sufficiency surveys of Telford and Wrekin Council's Operational properties started early in 2006 and cover a range of questions under the following headings Location, Environment, Safety & Security, Space, Fixtures & Fittings, Image, External Areas and Equalities & Diversity.

The results of the questionnaire provides useful information on service delivery issues and provides a number of local indicators designed to monitor the performance of our Operational buildings that Condition surveys do not report on and provides an overall assessment of the building's ability to deliver the service i.e. is the building 'fit for purpose'.

The methodology to undertake this overall assessment grades the buildings as Good, Satisfactory or Poor and after one complete set of survey results the following overall assessments have been found:

Number of Properties graded Good, i.e. performing well and above 75% = 50 properties.

Number of Properties graded Satisfactory, between 50 – 74% = 9 properties

Number of Properties graded Poor i.e. not performing as desired and below 50% = 11 properties

The above gradings are taken forward into an overall property rationalisation process, along with all other property related data to determine whether each property requires continued maintenance, major investment or should be considered for disposal.

Other Local Indicators being collected but in the early stages of data capture are:

Number of security incidents logged per month for all our schools

Annual % reduction in our vandalism budget for schools

Asbestos samples within schools or operational properties that are high or medium in material assessment.

Appendix 1

Corporate Vision

The wider Corporate Vision of the Authority seeks:

“A successful, prosperous and healthy community which offers a good quality of life to all the people of Telford and Wrekin that reflects the needs and opportunities of the 21st Century”

Creating a successful, prosperous and healthy community is dependent on all parts of the community and local organisations and agencies working together in a ‘joined up’ way. Together with our partners on the Local Strategic Partnership, the Council is committed to realising a shared agenda of community priorities that support the delivery of the Vision. The seven shared priorities, together with our key focuses for action that we have identified. Each of the AMP drivers which will contribute to their achievement are identified as follows:

Priority 1: Transforming Telford & Wrekin:

- To maximise revenue income from the Council’s investment portfolio within sound estate and asset management principles and having due regard to supporting the local economy and job creation
- To contribute to a dynamic economy via a capital spending programme
- To create a vibrant place via the provision of public buildings, areas, schools, etc
- To develop the Town Centre regeneration programme
- To participate in the regeneration of Borough towns and in particular, the redevelopment of Woodside and Leegomery local centres, Sutton Hill, Dawley, Brookside and Wellington
- Redevelopment of Hadley Park Industrial Estate
- Construction new offices at Donnington

Priority 2: Giving Children & Young People the Best Possible Start in their lives

- To deliver value for money, well constructed and designed school buildings and other learning facilities (e.g. school amalgamations) in which people can learn and develop.
- Development of the Building Schools for the Future (BSF) programme embedding ‘every child matters’ principles at the heart of decision making.
- Continue with the modernisation programme for schools to improve condition and suitability of the schools.
- To ensure delivery of the construction projects relating to amalgamation of schools.
- Delivery of construction projects relating to Children’s centres, post 16 agenda and wrap around care in partnership with school clusters and the BSF agenda.
- Delivery of the Primary Capital Programme in consultation with Children & Young People.
- Maintaining property assets to a high standard in line with good Asset Management principles and Service Delivery requirements

Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment:

- To ensure that the public areas are maintained to a high standard
- To seek enhancements to the environment of public and office areas
- To provide attractive, energy efficient public buildings and schools within a quality environment
- To strive towards an excellent BREEAM rating in relation to school provision.

- To ensure environmental principals are embedded within Land Disposal and the Planning Process, E.g. Eco Homes Standards.

Priority 4: Creating a Safe, Strong and Cohesive Community:

- To improve the safety and sense of well being on estates and local centres for the public, by continuing to improve security and safety measures through risk assessments, guarding and other sustainable methods
- To provide safe schools in which to learn and study
- Support and work with local police forces and community safety officers, to ensure they target resources where the Council is suffering a high level of incidents (working with Business watch also) and to inform of planned construction projects.
- Undertake Equalities Impact Assessments on all major projects to ensure that the needs of the local communities are embedded within the design process.

Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People

- To participate in the proposed development of Dothill Day Centre, Downing House, Stirchley Day Centre.
- Develop co-location strategies with external partners to improve support to community e.g. Primary Care Trust, Fire Service.
- To maintain, refurbish and develop leisure buildings which help to maintain a healthy and well educated community.
- To ensure that buildings are adapted to ensure that the needs of people with disabilities are encompassed within service delivery.
- To participate in the further development of the “Sports Village” concept TSLEC, centred around the Bucks Head, TCAT, Wrekin College and Hadley Learning Community.

Priority 6: Strengthening the Local Economy & the Skills of Local People

- Redevelopment of Hadley Park Industrial Estate
- Construction new offices at Donnington
- Development of the Building Schools for the Future (BSF) programme embedding ‘every child matters’ principles at the heart of decision making.

Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community:

- Provide and maintain appropriate assets, property and infrastructures (e.g. ICT/eGovernance) to successfully support service delivery.
- Property Review and rationalisation of office accommodation and new ways of working.
- Seek appropriate methods of procurement (i.e. Term Contracts) to ensure that value for money and high service delivery is provided

BOROUGH OF TELFORD & WREKIN

CABINET - 23RD FEBRUARY 2009

SERVICE & FINANCIAL PLANNING 2009/10 – 2011/12: CAPITAL PROGRAMME

REPORT OF THE CORPORATE DIRECTOR: RESOURCES AND THE HEADS OF FINANCE, ASSET & PROPERTY AND POLICY, PERFORMANCE & PARTNERSHIP

1. **PURPOSE**

To agree a 2009/10 – 2011/12 capital strategy and capital programme, (including the proposed Asset Management Plan and related Building Maintenance programme).

2. **RECOMMENDATIONS**

Members are asked to recommend to Council:

- **The report and associated capital estimates which incorporates the Capital Strategy, the Capital Programme (Annex II), the Planned Building Maintenance Programme (Annex III), Capital Virements and Approvals (Annex IV) and Asset Management Plan (Annex V).**

3. **SUMMARY**

- 3.1 This report presents the Council's Capital Strategy for 2009/10 – 2011/12 and a 3 year capital programme of £101.825m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2009/10.
- 3.2 The strategy and programmes address our Community Strategy priorities and priority policy objectives in conjunction with the service and financial planning strategy.
- 3.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2009/10 budget and future projections, while the cost of government supported allocations is met through a combination of Revenue Support Grant and direct capital grants, though the former is currently restricted by the government's heavy damping of the Council's grant increases.
- 3.4 The base programme will also be increased by other major investment initiatives as proposals and funding packages are brought forward, including Telford Town Centre and Building Schools for the Future-Campus Telford & Wrekin.

- 3.5 There are a number of capital virements, new approvals and slippage which require Council approval and are listed in Annex IV and impact on the 2008/09 and 2009/10 programme.
- 3.6 The Asset Management Plan sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme 2009/10. The building maintenance programme has been set in accordance with the proposed budget 2009/10 – 2011/12 and subsequent updates.

4. STRATEGIC OVERVIEW

- 4.1 Telford & Wrekin is a Unitary Authority, established in April 1998, which is responsible for one of the fastest growing areas in the West Midlands; an area that also incorporates the Ironbridge Gorge World Heritage Site. The Council is committed to delivering our **vision** for the community of:

“A successful, prosperous and healthy community which offers a good quality of life for all the people of Telford & Wrekin”

- 4.2 This is a shared vision which has been developed in consultation with the local community and the Telford & Wrekin Partnership. It underpins our Council Plan and Telford & Wrekin Partnership’s Vision 2026, Community Strategy and Local Area Agreement. It is supported by a framework of **Community and Corporate Priorities** that relate to:

- **Giving children and young people the best possible start in life**
- **Maintaining a high quality, attractive and sustainable environment**
- **Creating a safe, strong and cohesive community**
- **Improving the quality of life of older people and vulnerable adults and promoting healthier communities**
- **Strengthening the local economy and the skills of local people.**
- **Securing affordable, accessible and sustainable housing.**
- **An efficient, effective and customer-focused Council that delivers value-for-money for the community.**

- 4.3 The underlying ethos in our long-term Vision and Community Priorities is about transforming the Borough and these provide a major driver for identifying investment priorities. We support our corporate service and financial strategy with Priority Plans which articulate our medium-term plans, key targets and actions and how these align with capital and revenue resources. Our Asset Management Plan complements the Capital Strategy and, in relation to the Council’s facilities and land-holdings, is key to both informing decisions on where capital spending needs to be targeted as well as identifying opportunities to make savings or generate capital receipts through asset disposals and property rationalisation. Our aim is to maximise the value and opportunities of our assets.
- 4.4 Through our service and financial planning process and strategy, our three overarching focuses are on:

- making and/or securing investment to create and sustain the long-term economic prosperity and success of the Borough and the realisation of Vision 2026;
- ensuring that current levels of service provision and facilities are fit-for-purpose to meet the needs and expectations of our community and enable people to enjoy a good quality of life; and
- Working to mitigate the effects of the economic downturn within the Borough and planning for the recovery by seeking to put in place the right policies and plans which will enable the Borough to be well-positioned to come out of the recession earlier and stronger.

4.5 The growth of the Borough and the 'New Town effect' of an ageing infrastructure creates a heavy burden in terms of the requirement for new investment in facilities and infrastructure. The former new Town housing estates, where deprivation levels are high, are also in need of significant regeneration. These are major strategic challenges for the Council to address. Also, because it is a former New Town area, Telford & Wrekin does not have the land holdings or the planning powers and freedoms that exist in more traditional areas, we cannot rely on traditional local authority methods in our approach.

4.6 As part of the development of our medium-term service and financial planning strategy, we carry out a detailed assessment of the key issues, pressures, needs and opportunities facing the Borough in the short, medium and long-term and what the implications/requirements would be for both revenue and capital. In terms of capital spend, key issues identified include:

➤ **Key 'transformational' developments**

- Resourcing requirements for **major projects** such as:
 - Revitalising the Borough Towns (initially focussed on Newport, Wellington, Dawley/Malinslee, Ironbridge)
 - Delivering physical, social and economic regeneration in our most deprived communities (Woodside, Brookside, Sutton Hill);
 - Improving Telford Town Centre and Town Park;
 - Building Schools for the Future, developing Children's Centres and community facilities;
 - Developing linked sports and learning facilities around the AFC Telford/TCAT sites (Telford Sports, Learning and Enterprise Village)
 - Improving our existing industrial estates and developing new business sites to attract and retain businesses offering better paid jobs.

➤ **Key medium-term service developments**

- Key focuses are around:
 - Maintaining & improving the local environment (e.g. roads, pavements, street lights, litter-picking and recycling);
 - Improving local facilities across the Borough (e.g. Borough Parks and play areas, Leegomery Centre) and activities for children and young people;
 - Fulfilling our social housing responsibilities;

- Tackling land instability in The Gorge;
- Improving the overall operational effectiveness of the Council to better serve customers and improve operational efficiency – customer contact arrangements, ICT systems, buildings.

4.7 Capital investment clearly plays a key role in the achievement of our local priorities and priority policy objectives. **Our Capital Strategy and programme are not, however, just about ‘concrete, tarmac, buildings etc’, they are about making a positive difference to the quality of local people’s lives** through specific projects, services, technology and facilities. Over the past three years, key initiatives progressed/ delivered through targeted capital investment include:

- Development of the Railfreight Terminal;
- Improvements to roads, pavements and street lighting;
- New Woodside Community Centre to support the area’s regeneration;
- Development of new ‘state of the art’ schools -Hadley Learning Community and Shortwood;
- The Jigsaw Project – bringing specialist care facilities for looked after children within the Borough;
- Learning Centre at AFC Telford bringing together sport and education services to promote learning and social inclusion;
- Vital land stability works in the Ironbridge Gorge World Heritage Site;
- New Offices in Donnington
- New Industrial Units in Hadley
- Old Park Primary School, Malinslee
- Short wood Primary School, Wellington
- Enabling the provision of new affordable and social housing.

5. CAPITAL STRATEGY: 2009/10 – 2011/12

5.1 During 2009/10, we are planning to invest **£45.770m** as part of a **£101.825m** base 3 year programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council’s own resources (capital receipts), and Prudential Borrowing by the Council. Over the 3-year period, our capital programme is as follows:

Lead Portfolio	Total £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	Later Years £'000
Adult & Consumer Care	500	500	0	0	0
Housing	13,506	7,460	3,565	2,481	0
Children & Young People	33,232	12,418	13,045	7,769	0
Environment & Regeneration	49,419	22,334	20,935	5,450	700
Community	4,968	2,958	2,010	0	0
Resources/Council Wide	200	100	100	0	0
	101,825	45,770	39,655	15,700	700

- 5.2 Within the context of our overall Priorities framework, we have identified a number of clear and tangible **priority policy objectives where the Council can and must make a real and positive difference and focus resources** – and can only achieve this through extra funding - to improve quality of life and service delivery and put in place the means to realise our and the community's ambitions for the Borough. These are:
- **Tackling crime ,anti-social behaviour and alcohol misuse**
 - **Protecting and maintaining services for older people and vulnerable adults and children**
 - **Delivering high quality education services and facilities**
 - **Regenerating and improving our Borough towns and most deprived communities**
 - **Promoting growth and prosperity**
 - **Maintaining, protecting and improving the local environment and our rural areas**
 - **Securing affordable, accessible and sustainable housing**
 - **Enhancing customer service and improving organisational efficiency.**
- 5.3 Supporting Telford & Wrekin's role as a focus for continued growth and development until 2026 underpins all our priorities and policy objectives. Issues and concerns around housing have come clearly to the forefront of our thinking, given the scale and challenges posed by the current economic downturn/credit crunch. This is very much a 'capital' agenda – though it must be supported by the day-to-day delivery of high quality and efficient and improving services for the community - and we look creatively to utilise local resources such as the Council's land assets and land owned by other partners, and external funding and investment to turn vision into reality. These are key guiding principles in our medium-term service and financial strategy.
- 5.4 Details of the major projects and investments that we are looking to resource are highlighted in our over-arching Service and Financial Planning report. Annex IIa gives more details of these. As can be seen, these investments contribute in many cases to the delivery of more than one Community/Corporate Priority.

6. CAPITAL PLANNING FRAMEWORK

- 6.1 The Council's Capital Strategy is driven by our shared Vision for the Borough and our Corporate Priorities. All our plans and spending proposals (both capital and revenue) are developed within a partnership framework. The capital strategy is seen as a key opportunity to:
- drive forward the Vision and Priorities for the Borough;
 - influence the development of the Borough and the actions of other agencies;
 - work in partnership with other bodies to pursue national and regional objectives;
 - ensure that funding mechanisms are used effectively and external funding maximised;
 - maintain and improve the condition and suitability of our assets.

6.2 A key feature of our approach is that capital and revenue expenditure are considered together through one integrated service and financial planning framework and process. The Capital Strategy process brings together all aspects of capital planning and management. It guides and acts as the focus for all work on capital issues. The capital strategy process is given firm leadership:

- at officer level by the 'Service & Financial Planning Group' and Corporate Directors' Board;
- at member level by the Cabinet.

Progress and the outcomes of capital expenditure are also considered by the Value-for-Money Scrutiny Group as part of its service and financial performance monitoring role. It also inputs specifically to the strategy development process through its scrutiny of the Draft Budget Strategy.

(i) Approach

6.3 Our approach to the Capital Strategy Process is set out diagrammatically in **Annex I** and described below. This process is continually evolving and has been developed to enable the Council to respond effectively to the developments in Capital and Asset Management Planning, the Single Capital Pot, the Prudential Code of Borrowing Regime, and, most recently, a three-year funding settlement from the Government. We will undertake a further review of our capital programme commitments in 2009 to ensure that they remain fit for purpose and fully focused on our priorities.

6.4 The Prudential Code of Borrowing requires us to look at capital and revenue spend in an integrated way. Under this regime, the Council has much more freedom to invest in capital projects as long as the borrowing is determined to be **affordable, prudent, sustainable and represents value-for-money**. The prudential system of capital finance makes the capital strategy a much more integral and essential part of the annual budget setting process and medium term financial strategy; developed through an emerging 3-year forward planning framework which brings together service and financial planning priorities and proposed developments to support delivery of our priorities.

(ii) Capital Strategy Process

a) Strategic Review of Needs

6.5 Corporately and in each of our Portfolio Areas we annually review plans and priorities for capital spending. This is done as part of the annual corporate planning process, the development of key planning documents such as Priority Plans, and the outcome of major policy and/or service reviews. In seeking to determine priorities for investment and action, it is important to understand the key issues, needs and opportunities that need to be addressed. Three documents in particular map these out in detail, these are:

- The LSP's Vision 2026, Community Strategy and Local Area Agreement;
- The Council Plan;
- The LSP's annual 'State of the Borough' report and conference.

6.6 The result is a clear strategic view of priorities which identifies both **pressures and developments** in terms of:

- Projects required to progress the Vision for the Borough – whether partner, Council or joint (developments);
- Projects required to meet service priorities (pressures and developments);
- Maintenance spending required on assets (pressures).

This process is done collaboratively through dialogue with partners and is also informed by the Council's annual consultation strategy. This framework encourages a joined-up focus on outcomes, on major strategic initiatives and partnership working. The outcome is a broadly-based overview of capital spending priorities, business needs and opportunities, and outcomes to be realised.

b) Strategic Consideration of Priorities, Resources and Resource Implications

6.7 The financial implications of new capital spending requirements are carefully assessed within a business case in terms of:

- Overall resource availability including the anticipated results of asset disposals;
- Identification and consideration of whole life costings;
- Identification of significant revenue implications for capital proposals, with overall decisions on capital programme being made (and consulted on) as part of the overall service, financial planning and value-for-money process;
- Consideration of appropriate procurement strategies and potential funding regimes.
- 'Pay back'/Invest to Save potential, such as for example investment in Waste Recycling facilities to reduce the future impact of Landfill Tax increases.

6.8 The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2009/10 has been developed around the following principles and processes:

- Corporate Strategic Planning Assessment:

6.9 Revenue and capital budgets are planned together as far as practicable each year. Desired spending has been prioritised and narrowed down into an overall capital strategy taking account of local, national and regional priorities. National priorities are considered within the parameters of the Government's Annual Capital Guidelines (ACG's) for major service areas. All schemes are evaluated against a framework of:

- | |
|--|
| <ul style="list-style-type: none">a) Contribution to the Vision and Community Priorities and priority policy objectives;b) Assessment of community needs and expectations;c) Impact upon national and regional priorities (including the national PSA Targets);d) Asset management requirements and whole life benefits and costings; |
|--|

- e) Improving efficiency and effectiveness of service delivery (including payback considerations, minimising revenue expenditure and identified service improvements from CPA Improvement Plan and other reviews);
- f) Procurement approach – with priority given to schemes which attract leverage, pump prime and link with partners/private investment (PPP/PFI). The opportunities for bidding for external funding are clearly identified at this stage;
- g) Overall value-for-money of the investment.

- Options Appraisal to Secure Value for Money:

- 6.10 In developing the capital programme, the Council has sought to identify which of a number of alternative ways is the best way to fund and deliver a capital project to meet its objectives. Also, to ensure that the Council's approach to prudential borrowing is demonstrably affordable, prudent and sustainable, a set of prudential indicators have been developed to monitor performance. The business case for capital investment requires consideration/identification of how such spend represents or will improve value-for-money to the community.

c) Detailed Capital Programme

- 6.11 The Strategic Assessment of capital spending priorities is then subjected to further internal and external consultation and translated into an achievable phased programme across the whole Council with clearly agreed and identified:

- Revenue implications.
- Procurement Arrangements;
- Timescales, project management arrangements and accountabilities;

Annex II sets out details of our committed Capital Programme 2009/10 – 2011/12 and Detailed Analysis of Capital Grants

d) Control, Monitoring, Performance Management & Review

- 6.12 A clearly defined corporate framework for project management exists for capital schemes. Regular monitoring of progress and spend takes place both at service level and corporately. The Asset Management Plan relevant property PIs have been incorporated into corporate performance monitoring arrangements and into the monitoring of the management of the capital programme. In-year progress is highlighted as part of the reporting arrangements of the Service & Financial Performance Management Framework. In addition, post-completion monitoring is undertaken through the integrated service and financial performance management framework to review, assess and report on how the investment has achieved the desired impact/improvement/outcomes.

7. ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

- 7.1 The Asset Management Plan (attached at Annex V) and associated data on property (i.e. condition, suitability, sufficiency, access and asbestos) informs the Council's planned Repair and Maintenance programme.

7.2 The Council's Asset Management Plan has identified a prioritised schedule of work of around £25.3 million for education properties and £12 million for operational properties over 5-10 years as summarised below:

Operational Property

Fixed assets utilised by the Council	No	Priority 1	Priority 2	Priority 3
Emergency Planning Centre	1	£5,000	£6,250	£10,000
Bus Station	4	£8,275	£10,750	£15,550
Cemetery Buildings	1	£3,188	£101,763	£517
Changing Rooms & Pavilions	12	£14,303	£112,157	£190,759
Children's Homes	2	£0	£82,861	£84,386
Community	7	£36,248	£117,357	£233,401
Travellers' Sites	2	£0	£165,357	£57,181
Hostels	3	£60,393	£57,811	£70,723
Ice Rink	1	£1,260,708	£1,050,130	£292,617
Leisure Centres	4	£104,545	£358,574	£1,139,101
Libraries	8	£1,339	£101,285	£609,484
Municipal Golf Course	1	£22,927	£8,067	£61,121
Offices	24	£153,416	£897,176	£1,649,796
Outdoor Activity Centre	1	£4,450	£364,423	£171,237
Public Conveniences	3	£4,456	£22,164	£8,593
Ski Slope	1	£3,348	£71,374	£13,987
Swimming Pools	2	£27,769	£262,199	£326,437
Theatres	1	£0	£4,386	£112,493
Training/Day Centres & Residential Care	6	£34,101	£279,009	£435,521
Visitors	1	£0	£3,300	£15,629
Youth	6	£60,509	£102,516	£121,208
Joint Service Facility (Swan Centre)	1	£123,453	£8,329	£241,492
First Point Hadley	1	£0	£2,029	£5,192
TOTAL	93	£1,928,428	£4,189,267	£5,866,425

Education

Property Type	No.	Priority 1	Priority 2	Priority 3
Secondary Schools	10	£1,428,696	£4,909,884	£6,775,950
Primary/Infants/Junior Schools	55	£917,908	£4,071,864	£6,510,869
Special Schools	3	£20,512	£103,471	£318,172
Nursery Schools	1	£9,611	£3,670	£32,797
Children's Centres	2	£0	£0	£1,921
PRU	3	£33,320	£23,896	£114,664
TOTAL	74	£2,410,047	£9,112,785	£13,754,373

*Note: Hadley PFI / Jigsaw / Madeley Academy / Abraham Darby Academy have not been included within the above figures

7.3 The Asset Management Plan allows the Council to prioritise investment to manage the schedule of work.

7.4 The planned building maintenance programme as identified in **Annex III**, was set in accordance with the framework for prioritising condition backlog.

- 7.5 The proposed level of investment included in the Capital Programme 2009/10 is £0.85m for Children & Young People and £1.5m for all other operational properties. The budget allocations do not take into account the capital investment relating to amalgamation of schools and the secured investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the property rationalisation process.
- 7.6 In addition to the above capital allocations schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the school building stock on a day to day basis.
- 7.7 In accordance with our prioritisation exercise, as set out above, Annex III identifies the Building Maintenance programme for 2009/10. All schemes listed are priority 1 or priority 2 items, health and safety, or are deemed necessary in order to maintain quality service delivery. The programmes for following years will be developed after undertaking updated surveys each year and taking into account regeneration and property rationalisation proposals.
- 7.8 The number of operational properties has changed during the last financial year due to building rationalisation and school amalgamations.

8. PARTNERSHIP AND CROSS CUTTING ACTIVITY

- 8.1 There is a very well-developed Local Strategic Partnership, bringing together key local organisations and agencies across all sectors. The Partnership is overseen by an 'executive' Agenda Group which comprises the chief officers of the main public, private and voluntary organisations in Telford & Wrekin.
- 8.2 Partnership working is the framework through which all key local cross-cutting issues are tackled. The Partnership has a range of both 'thematic' and 'area based' sub-partnerships tackling local issues and informed by an extensive programme of consultation.
- 8.3 The Council actively works with partners to maximise assets. An example of this is a property exchange with the health authority to enable Health to develop a 24 hour nurse care facility and enable the Council to consolidate services to Children and Families. Other examples include various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

9. CONSULTATION

- 9.1 Telford and Wrekin Council is strongly committed to effective consultation and engagement with our community. This underpins all local plans and initiatives. Consultation takes place at two main levels: *strategic*; on issues affecting the Borough as a whole; and more *focused* consultation on specific issues, projects and priorities. This is an integral aspect of the Council's overall approach. There are three main strands to consultation:

- With the community overall through a range of quantitative and qualitative methods such as residents' surveys, local meetings, focus groups. A prominent feature of the consultation 'landscape' is the Telford & Wrekin Community Panel – a representative cross-section of some 1,000 local residents.
- Through partnership and with local agencies – often around plans, priorities and projects;
- Through specific, tailored consultations at a more localised level or with different 'sections' of the community.

9.2 Consultation influences all aspects of capital strategy planning and service provision. Some recent examples where particularly extensive consultation has taken place are:

- regeneration plans for the Dawley and Malinslee areas;
- regeneration plans for Wellington
- the development of Telford Town Centre.
- Identifying improvements for Telford Town Park;
- Identifying issues for improvement in Sutton Hill and Brookside;
- new provision strategies to address the planning of school places;
- the development of waste management and recycling facilities and services;

9.3 We will be working extensively with local communities over the next 3 years, particularly on projects such as the Borough Town Initiative and regeneration of our most deprived communities, to inform our plans and proposals to improve the environment and the quality of life in these areas.

10. **RESOURCES**

10.1 **Mainstream Government Supported Borrowing**

The main borrowing allocations received, along with forward indications of minimum future allocations are as follows:

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m
Transport	4.785	3.541	3.842	3.900
Children & Young People	2.791	3.273	1.051	0.847
Other	0.034	0.032	0.032	0.032
Total	7.610	6.846	4.925	4.779

Education's main block approvals have continued to decrease in total with funding being switched into capital grants. 2008/09 includes slippage of £1.532m

The revenue cost of utilising these government allocations should be funded by Revenue Support Grant although this is impacted by the RSG damping mechanism which withholds a substantial part of the additional revenue funding due to the Council to support the cost of these allocations at present.

10.2 Supplementary Grants

While information is still awaited on some allocations, the following new allocations have been built into the overall resources position:

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m
Housing	2.122	3.881	2.565	2.481
Environment & Regeneration	21.502	4.913	4.253	0.700
Children & Young People	6.402	8.705	11.994	6.922
Community Services	0.139	0.067	0.000	0.000
Total	30.165	17.566	18.812	10.103

10.3 Capital Receipts

Over and above existing scheme commitments, Borough Towns Initiative and Building Schools for the Future , no further capital receipts have been projected to be available over the 3 year period. There will be some limited 'in year' receipts which will be brought into consideration when achieved. The new use of Capital Receipts shown below relates to Education, Property and Borough Towns Initiative receipts not yet received, therefore there is no revenue impact of this. A summary is shown below which includes some receipts in relation to BTI falling in later years.

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	Later Years £m
Resources	0.329	0.100	0.100	0.000	0.000
Environment & Regeneration	2.134	3.940	0.200	8.700	8.750
Children & Young People	3.447	0.690	0.000	0.000	0.000
Community Services	4.596	0.471	0.000	0.000	0.000
Total	10.506	5.201	0.300	8.700	8.750

10.4 Prudential Borrowing Regime

Within the budget strategy for 2008/09 to 2011/12 the level of Prudential Borrowing assumed is as follows:

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	Later Years £m
Adult & Consumer Care	1.835	0.500	0.000	0.000	0.000
Housing	1.343	3.579	1.000	0.000	0.000
Environment & Regeneration	19.517	9.908	12.608	-7.882	-8.050
Children & Young People	5.445	0.000	0.000	0.000	0.000
Community Services	1.128	2.170	2.010	0.000	0.000
Total	29.268	16.157	15.618	-7.882	-8.050

10.5 Overall Resources Position

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known. Appendix IV summarises for approval ,new and changed approvals recommended on by 9th February Cabinet from the financial monitoring report.

Resources Available					
	2009/10	2010/11	2011/12	Later	Total
	£m	£m	£m	Years	£m
				£m	
Government Allocations					
Children & Young People	3.273	1.051	0.847	0.000	5.171
Transport	3.541	3.842	3.900	0.000	11.283
Other Services	0.032	0.032	0.032	0.000	0.096
	6.846	4.925	4.779	0.000	16.550
Grant Allocations					
Children & Young People	8.705	11.994	6.922	0.000	27.621
Housing	3.881	2.565	2.481	0.000	8.927
Environment & Regeneration	4.913	4.253	0.700	0.000	9.866
Community Services	0.067	0.000	0.000	0.000	0.067
	17.566	18.812	10.103	0.000	46.481
Other Resources					
General Capital Receipts	5.201	0.300	8.700	8.750	22.951
Prudential Borrowing	16.157	15.618	-7.882	-8.050	15.843
	19.808	15.918	0.818	0.700	38.794
Total	45.770	39.655	15.700	0.700	101.825

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme will be as follows:

	2009/10	2010/11	2011/12	Total
	£m	£m	£m	£m
Capital Receipts	0.000	0.000	0.000	0.000
Prudential Borrowing	0.230	0.660	0.860	1.790
Total	0.230	0.660	0.860	1.790

The costs are built in to the budget summary.

11. CONCLUSION

11.1 Because Telford & Wrekin is such a rapidly growing and changing area it has substantial capital spending needs:

- to support and meet the growing needs of the Borough and our aspirations to transform Telford & Wrekin;
- to maintain and develop the Council's own stock of capital assets;
- to address the 'New Town effect' of a commonly-ageing infrastructure.

11.2 As a former new town area, with the Council having very limited land and asset holdings, we have a very limited capacity to generate capital receipts through disposals. We, therefore, take the capital strategy and its asset management planning very seriously. We look on capital spending as an integral element of our overall approach to Community Planning, partnership working and community engagement.

11.3 We are committed to maximising the effectiveness of our assets and capital spending and to identifying or creating opportunities to attract external funding resources. **Our focus is on delivering our priorities and policy objectives and on ensuring that our vision for the community can, each year, become more of a reality for local people.**

12. IMPLICATIONS

- **Equalities & Diversity** - the overall budget framework contains funding to support the Council's work to promote Equalities & Diversity across the Borough. As part of the Planned Maintenance funding an allocation had been identified to improve accessibility, and service delivery from the Authorities buildings. An element of the capital improvements to Council buildings will be focused on improving accessibility. The allocation is prioritised using the full range of asset management data and specifically using the accessibility audits as well as working with Service Heads and the Equalities team.
- **Environmental** - the overall budget framework supports the Environmental responsibilities of the Council. Environmental improvements are incorporated into all schemes where appropriate
- **Financial** – financial implications of the planned capital programme and maintenance programme are included within the Capital Strategy report.
- **Legal** - all proposals are covered by the legislative framework within which the council operates
- **Corporate Priorities** all proposals have been formulated within the context of the Council's Community and Corporate Priorities framework. Linkage to these is highlighted in the Capital Strategy and supporting annexes.
- **Risk** - The Council's current Strategic Risk Register has been considered as part of allocating resources in the overall programme
- **Wards** - Proposals affect all wards in the Borough

Background Papers

Funding notifications, investment proposals, cabinet reports on various schemes, previous Capital Strategy documents and capital programmes.

Report prepared by

Paul Clifford, Head of Finance (01952 383700)

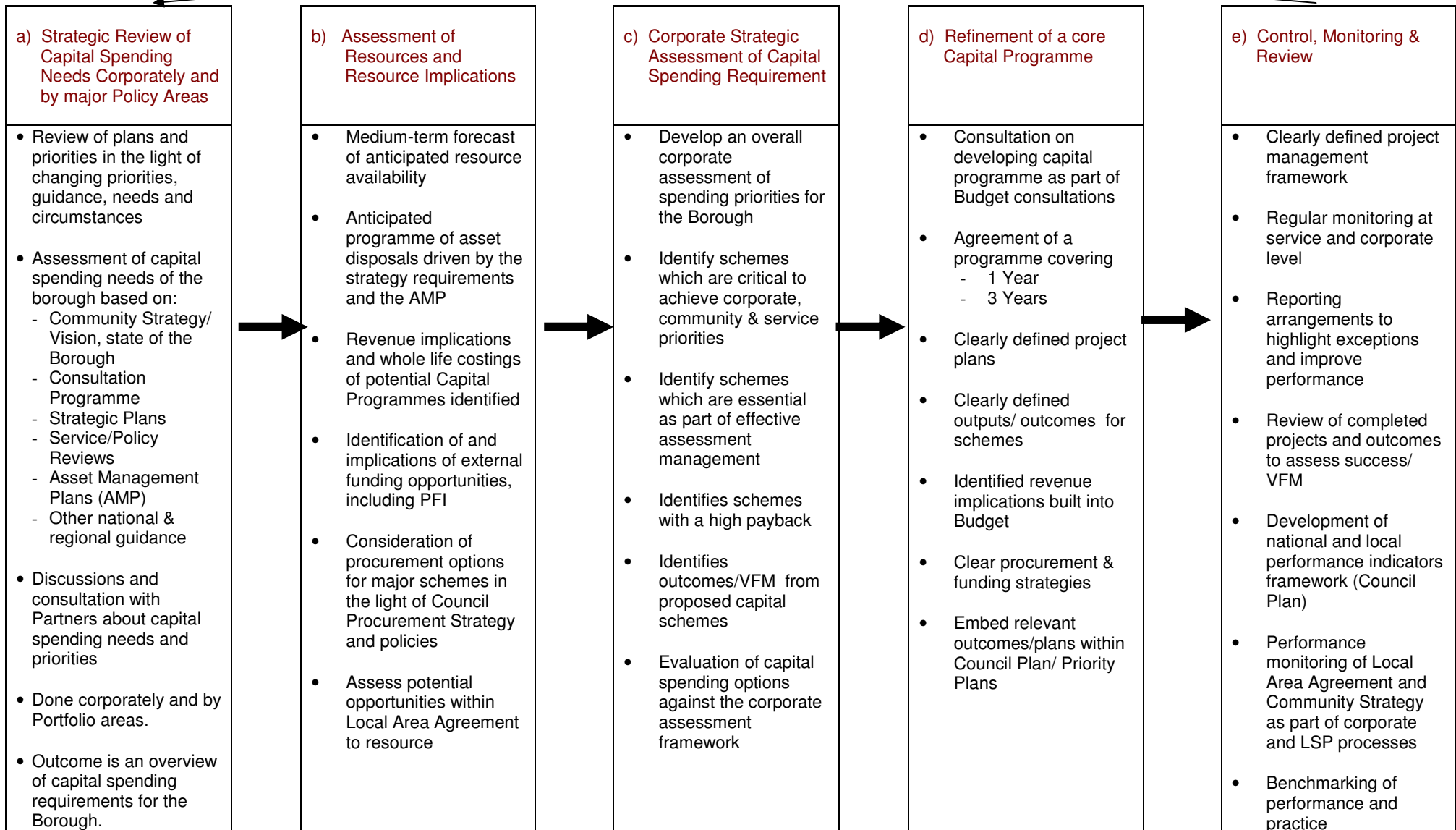
Richard Partington, Head of Policy, Performance & Partnership (01952 380130)

Bernie Morris, Finance Manager (01952 383702)

David Sidaway Head of Asset & Property Management Tel: (01952 384300)

Telford & Wrekin Capital Planning Framework

Community & Corporate Priorities



CAPITAL PROGRAMME: 2009/10 - 2011/12:OVERVIEW

Policy Area	Total £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	Later Years £'000
Adult & Consumer Care	500	500	0	0	0
Housing	13,506	7,460	3,565	2,481	0
Children & Young People	33,232	12,418	13,045	7,769	0
Environment & Regeneration	49,419	22,334	20,935	5,450	700
Community Services	4,968	2,958	2,010	0	0
Resources/Council Wide	200	100	100	0	0
	101,825	45,770	39,655	15,700	700
Resources					
Supported Borrowing	16,550	6,846	4,925	4,779	0
Government Grants	46,481	17,566	18,812	10,103	0
Prudential Borrowing	15,843	16,157	15,618	-7,882	-8,050
Capital Receipts	22,951	5,201	300	8,700	8,750
Total funding	101,825	45,770	39,655	15,700	700

Committed Capital Programme 2009/10 to 2011/12

Lead Service Area	Scheme	Total	2009/10	2010/11	2011/12	Later Years
		£'000	£'000	£'000	£'000	£'000
Adult & Consumer Care	Residential Home/Daycare facility	500	500	0	0	0
Total Adult		500	500	0	0	0
Housing						
	Supported Independent Living - Disabled Facilities Grant	2,100	700	700	700	0
	Regional Housing Allocation (Estimate)	5,343	1,781	1,781	1,781	0
	Private Sector Home Improvement Kick Start	114	30	84	0	0
	Housing Supply	3,949	2,949	1,000	0	0
	Extra Care Housing	2,000	2,000	0	0	0
Total Housing		13,506	7,460	3,565	2,481	0
Children & Young People						
	Professional Fees	555	181	187	187	0
	Basic Need - Contingency	504	172	10	166	0
	Food Technology Grant	645	323	322	0	0
	Malinslee Development – PCT Building	750	750	0	0	0
	Youth Capital	178	89	89	0	0
	Lightmoor Primary	440	440	56	0	0
	Campus Telford & Wrekin – Oakengates Ground Investigation	100	0	100	0	0

	Children's Centres	696	432	264	0	0
	Short Breaks for Disabled Children - Pathfinder	245	245	0	0	0
	Primary Capital Programme	13,778	3,000	5,378	2,500	0
	Modernisation & Condition - Various Schemes	4,882	1,626	1,626	1,630	0
	Building Schools for the Future - Fees	400	200	200	0	0
	Devolved Formula Capital	8,826	2,942	2,942	2,942	0
	Early Years Capital	2,025	675	675	0	0
	ICT Harnessing Technology Grant	2,069	687	691	0	0
	Extended Schools	634	312	161	0	0
	Schools Access Initiative	1,032	344	344	344	0
	Total CYP	37,659	12,418	13,045	7,769	0
	Community					
	ICT/ eGov	3,344	1,844	1,500	0	0
	Locality Working, Parish Councils, Voluntary Sector	20	10	10	0	0
	Brookside Community Provision	250	250	0	0	0
	Contact Centre - One Stop Shop	160	160	0	0	0
	Parks & Play Areas	1,000	500	500	0	0
	Play/Activity Areas-facilities and activities	194	194	0	0	0
	Total Community	4,968	2,958	2,010	0	0
	Environment & Regeneration					
	Asset Management Plan - General Works & Surveys	3,000	1,500	1,500	0	0

	Integrated Transport		6,354		2,139		2,115		2,100		0
	Highways Capital Maintenance		7,047		2,115		2,432		2,500		0
	Growth Areas and Growth Points		6,399		2,917		3,482		0		0
	Street Lighting and Environmental Improvements		1,000		500		500		0		0
	A41 Detrunking		510		510		0		0		0
	Highways / Footpaths		3,400		1,700		1,700		0		0
	Road Safety Schemes		133		67		66		0		0
	Leegomery		1,550		1,550		0		0		0
	Town Centre		1,300		560		740		0		0
	Woodside Regeneration - including future project management		520		520		0		0		0
	South Telford Estate Centres		4,000		2,000		2,000		0		0
	Market Towns Initiative – Wellington		706		706		0		0		0
	Borough Towns Initiative		13,500		5,550		6,400		850		700
	Total Environment & Regeneration		49,419		22,334		20,935		5,450		700
	Resources/Council Wide										
	Fees/Consultants for Corporate Schemes - Additional		200		100		100		0		0
	Total Resources/Council Wide		200		100		100		0		0

Detailed Analysis of Capital Grants

Scheme	<u>2008/09</u> £m	<u>2009/10</u> £m	<u>2010/11</u> £m	<u>2011/12</u> £m
Housing: Disabled Facility Grants (indicative only for 2009/10 onwards)	1.261	0.700	0.700	0.700
Regional Housing Allocation	0.311	3.151	1.781	1.781
Private Sector Home Improvement Kick Start	0.030	0.030	0.084	0.000
Improving Housing Quality	0.420	0.000	0.000	0.000
Supporting Vulnerable People	0.100	0.000	0.000	0.000
Transport	0.718	0.713	0.705	0.700
DEFRA – Waste Performance	0.291	0.000	0.000	0.000
Regeneration Through Heritage	1.595	0.000	0.000	0.000
Package Management	0.124	0.000	0.000	0.000
TSLEC	0.400	0.000	0.000	0.000
Telford Town Centre	0.200	0.000	0.000	0.000
Multi Use Centre	0.318	0.000	0.000	0.000
Moss Road Flood Alleviation	0.356	0.000	0.000	0.000
Lloyds	6.030	0.000	0.000	0.000
Railfreight	6.372	0.000	0.000	0.000
Market Towns Initiative	0.485	0.706	0.000	0.000
AWM – RASP	0.131	0.000	0.000	0.000
AWM – Town Centre	0.655	0.000	0.000	0.000
ERDF Enterprise HQ	0.502	0.000	0.000	0.000
Hadley Industrial Units	0.266	0.000	0.000	0.000
Donnington Industrial Units	0.008	0.000	0.000	0.000
Woodside	0.063	0.000	0.000	0.000
Growth Areas & Growth Points	2.610	2.917	3.482	0.000
Woodcote Hollow	0.260	0.000	0.000	0.000
A41 Detrunking	0.000	0.510	0.000	0.000
Road Safety Schemes	0.118	0.067	0.066	0.000
Children & Young People:	0	0	0	0
: Devolved Formula Capital	2.992	2.942	2.942	2.942
: Food Technology	0.000	0.323	0.322	0.000
: Sutherland School FEAST	0.088	0.000	0.000	0.000
: Youth Grant	0.089	0.089	0.089	0.000
: ICT Mobile Technology	0.050	0.000	0.000	0.000
: Targeted Capital Fund	1.124	0.000	0.000	0.000
: Children's Centres	0.213	0.432	0.264	0.000
: Primary Capital Programme	0.000	3.000	5.378	2.500
: Short Breaks for Disabled Children	0.105	0.245	0.000	0.000
: Early Years Capital	0.675	0.675	0.675	0.000
: ICT Harnessing Technology	0.684	0.687	0.691	0.000
: Extended Schools	0.294	0.312	0.161	0.000
: General Grant	0.000	0.000	1.472	1.480

: Old Park Primary	0.024	0.000	0.000	0.000
: Computers for Pupils	0.018	0.000	0.000	0.000
: Edgmond St Peters	0.046	0.000	0.000	0.000
Modernising Swimming Pool Provision	0.049	0.000	0.000	0.000
Play/Activity Areas – Facilities and Activities	0.090	0.067	0.000	0.000
	30.165	17.566	18.812	10.103

BUILDING MAINTENANCE PROGRAMME

Operational Properties (non education)

Asset	Priority	Description of works	Expected outcomes	Links to Community Ambitions
Wellington Leisure Centre	H&S / Service Delivery	Repairs to Structural Walls – During the recent refurbishment works when the pool was drained it became evident that the pool walls under the promenade require major repairs. A structural assessment has been undertaken on the pool in the interim. This work will be coordinated with the planned regeneration.	The works are essential to maintain the pools future, without the works further erosion will take place resulting in pool closure.	Priority 4: Creating a Safe, Strong and Cohesive Community Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People
Wellington Leisure Centre	Health & Safety / Priority 1	Replacement Electrical Board – The mains distribution panel for the pant room is an original installation and is becoming a liability and Health and Safety Concern. This work will be coordinated with the planned regeneration.	The works will improve the safety of the electrical plant.	Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People
Oakengates Leisure Centre	Priority 2 / Service Delivery	Re-Roofing of Centre – The roofing was identified as a priority in 2006 and phase 1 of the works is due for completion in Feb 2008. Phase 2 will complete the roof for the whole building. This work will support the planned work around the Building Schools for the Future programme.	The roof is the original dating to the 1960's. The leaks were affecting service delivery and affecting other elements of the building. As part of the works the roof is being insulated, this should reduce the Councils Carbon Footprint.	Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment Priority 4: Creating a Safe, Strong and Cohesive Community Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community:

Telford Ice Rink	Priority 1 / Service Delivery	<p>Replacement Hot Water System</p> <p>The hot water system in the building is from the original build and is becoming a significant maintenance liability. The system is no longer viable to repair. It is proposed to replace the system to maintain service delivery and remove the liability. The specification and delivery will take into account the Councils Strategy for replacing the ice rink</p>	<p>Greater energy efficiency reducing running costs and CO2 emissions</p> <p>Reduction in reactive maintenance and condition backlog</p> <p>Ensure service provision is maintained.</p>	<p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community:</p>
Telford Ice Rink	Health & Safety / Service Delivery	<p>Various Works</p> <p>As part of a previous report to directors it was approved to undertake essential maintenance to the ice rink to maintain service delivery. In response to this a budget has been reserved for breakdowns.</p>	<p>Service provision is maintained to the public</p> <p>That the health and safety of occupants and visitors is maintained.</p>	<p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community:</p>
Madeley Library	Heath & Safety	<p>Emergency Lighting</p> <p>With increased use due to life long learning emergency lighting has been identified as being a requirement.</p>	<p>To ensure that the building is fit for purpose for extended use</p> <p>That the health and safety of occupants and visitors is maintained</p>	<p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
Madeley Ski Centre	Priority 2	<p>Re Roofing of Lodge</p> <p>The roof to the lodge is leaking and in need of recovering to prevent further damage to the building structure. The specification for the works will take into account the long term plans for the site.</p>	<p>Service provision is maintained to the public</p>	<p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community</p>

Madeley Court Sports Centre	Service Delivery	<p>Internal Decoration and Repairs to Corridors</p> <p>The internal fabric of the building has been criticised by users and in need of general maintenance. The specification for the works will take into account the long term plans for the site</p>	<p>The building is of a presentable standard for users of the facility</p> <p>The Councils reputation for quality service provision is maintained</p>	<p>Priority 1: Transforming Telford & Wrekin</p> <p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p>
30 West Road	Priority 1 / Health & Safety	<p>Replacement Calorifier</p> <p>The condition survey identifies that the buildings hot water system requires upgrading to ensure compliance with Health and Safety.</p>	<p>That the health and safety of occupants and visitors is maintained</p> <p>That the Council fulfils its requirement to maintain its property stock in a safe manner</p>	<p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
16 Carwood	Priority 2 / Service Delivery	<p>Replacement Heating Boilers</p> <p>Carwood hostel was refurbished in 2004, at that time the boilers were not changed. They have now become a maintenance liability</p>	<p>To ensure service continuity</p> <p>To provide a building that ensures a suitable environment for its occupants</p> <p>Higher efficiency boilers will be installed reducing the Councils CO2 Emissions</p>	<p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community</p>
Edgmond Pavilion	Priority 1	<p>Re Roofing</p> <p>The roof is leaking and in need of recovering to prevent further damage to the building structure</p>	<p>Service provision is maintained to the public</p>	<p>Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People</p>

Doseley Road Changing	Priority 1 / H&S	Essential Works to water system The recent water safety report identified essential works to the water system.	To ensure the health and safety of users of the building	Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People
-----------------------	------------------	---	--	--

Various Sites – Changing Rooms	Service Delivery	Internal refurbishments The changing pavilions need basic works to ensure that they are fit for purpose and safer for users	To ensure the health and safety of users of the building	Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community
--------------------------------	------------------	---	--	---

Various Sites	Health & Safety	Asbestos Removal As part of the Authorities Asbestos Management Plan it is required to assess and remove where necessary asbestos where it is a risk to public health.	That asbestos issues within school buildings are managed in proactive way ensuring the health and safety of occupants and visitors.	Priority 4: Creating a Safe, Strong and Cohesive Community
---------------	-----------------	--	---	--

Various Sites	Service Delivery	Corporate External Painting – In order to maintain the external fabric of the Councils Assets a planned maintenance approach has been implemented for many years. In the longer term planned preventative maintenance proves cost effective and reduces the need for major investment.	The proposal is to repaint all operational buildings on a 4 year cycle. The planned approach enables this to take place and reduce the need for major investment. Reduction in reactive maintenance and condition backlog	Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community
---------------	------------------	--	--	--

Various sites	Service Delivery	Corporate Access – There is a duty to ensure that buildings that the Council delivers a service from are accessible under the Disability Discrimination Act. To ensure that services are accessible a planned	That Council services are accessible to the public	Priority 4: Creating a Safe, Strong and Cohesive Community Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People
---------------	------------------	---	--	--

		approach to improving buildings has been implemented		Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For- Money for the Community
--	--	--	--	---

Education Planned Programme - Schools

Asset	Priority	Description of works	Expected outcomes	Links to Corporate Priorities
Donnington Wood Junior	Health & Safety / Priority 2	Curtain Walling – The external walling to the school is original 1960's and is at the end of its economic life, very poor condition, and is a health and safety issue affecting the delivery of the curriculum. It is proposed to replace the external fabric of the building with a curtain walling system. The works will also remove a number of asbestos samples. As part of the works modifications to part of the heating system will take place.	<p>The new curtain walling system will improve the energy efficiency of the building, reducing running cost and CO2 emissions</p> <p>The proposals will improve the suitability of the asset for teaching methods as it will reduce the overheating in summer and cold in winter scenario.</p> <p>Reduction in the condition liability for the asset.</p> <p>Reduce the reactive maintenance of the asset.</p>	<p>Priority 1: Transforming Telford & Wrekin</p> <p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community</p>
Wrockwardine Wood Secondary	Health & Safety	Electrical Works Historically the school has managed their own Repair and Maintenance, they now form part of the R&M buyback scheme with the authority and some essential electrical works are required.	The safety of occupants and visitors is maintained	Priority 4: Creating a Safe, Strong and Cohesive Community
Tibberton Primary	Health & Safety	Electrical Works The Main distribution panels and sub distribution panels are the existing installation and in need of replacement.	The safety of occupants and visitors is maintained	Priority 4: Creating a Safe, Strong and Cohesive Community

Dothill Junior		<p>Re Roofing</p> <p>The roof to the building has suffered leaks for many years in various places. Repairs have been undertaken and although they have proved successful are not the most appropriate use of resources and does not minimise the disruption to the school. It is also proposed that the roof is insulated.</p>	That the school can deliver education in a suitable environment.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
High Ercall Roof	Priority 1	<p>Re Roofing to Victorian Block</p> <p>Roofing to the school is of an age where it is not viable to maintain and becoming a health and safety priority. It is proposed to re-slate the roof.</p>	That the building is maintained in an appropriate way to ensure that service delivery is not affected and the health and safety of occupants is maintained.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
Burton Borough	Priority 1 / H&S	<p>Roofing Works</p> <p>Essential works are required to identify flat roofs at the school following failure of the covering during 2008. This has been raised at the corporate H&S group as a priority. The work will not be abortive in relation to the planned BSF programme</p>	That the building is maintained in an appropriate way to ensure that service delivery is not affected and the health and safety of occupants is maintained.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
Various Sites	Health & Safety	<p>Water Risk Assessment Programme</p> <p>Water risk surveys are undertaken on schools annually which identifies a programme of essential works</p>	That the building is maintained in an appropriate way to ensure that service delivery is not affected and the health and safety of occupants is maintained.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>

Various Sites	Health & Safety	<p>Asbestos Removal As part of the Authorities Asbestos Management Plan it is required to assess and remove where necessary asbestos where it is a risk to public health.</p>	That asbestos issues within school buildings are managed in proactive way ensuring the health and safety of occupants and visitors.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 4: Creating a Safe, Strong and Cohesive Community</p>
Various Sites	Service Delivery	<p>Education External Painting – In order to maintain the external fabric of the Councils Assets a planned maintenance approach has been implemented for many years. In the longer term planned preventative maintenance proves cost effective and reduces the need for major investment.</p>	The proposal is to repaint all education buildings on a 4 year cycle. The planned approach enables this to take place and reduce the need for major investment.	<p>Priority 2: Giving Children & Young People the Best Possible Start in their Lives</p> <p>Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment</p> <p>Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community</p>

CAPITAL VIREMENTS IN 2008/09

CHILDREN & YOUNG PEOPLE

<u>Vired To Scheme</u>	<u>Amount £</u>	<u>Funding Source</u>	<u>Vired From Scheme</u>
School Amalgamations	8,200	Capital Receipts	Sports & Physical Activity Facilities Strategy
Gower Street Youth Centre	662	Capital Receipts	School Amalgamations
Madeley St Mary's	228	Capital Receipts	School Amalgamations
Newport Girls High School Demountable Refurbishment	392	Capital Receipts	School Amalgamations
Jigsaw Road works Retention	14,787	DCSF Grant	School Amalgamations
Windmill Primary – Drainage	5,000	Borrowing Approval	School Amalgamations
Abraham Darby CDT Refurbishment	9,029	Capital Receipts	School Amalgamations
Kitchen Internal Alterations	15,000	Capital Receipts	School Amalgamations
Lord Silkin School – Security Access Control System	2,527	Capital Receipts	School Amalgamations
Chipmunks Brookside – Roof Enhancement	3,340	Capital Receipts	School Amalgamations
The Mount – Office Enhancement	2,500	Capital Receipts	School Amalgamations
High Ercall Phase 2	100,000	Capital Receipts	High Ercall Phase 1
AMP Condition	100,000	Borrowing Approval	Oakengates Leisure Site – Ground Investigation
AMP Condition	100,000	Capital Receipts	Lightmoor Primary
Lightmoor Primary	7,863	Capital Receipts	Modernisation
Wrockwardine Wood Arts College – Tarmac	6,300	Capital Receipts	School Amalgamations
Preston St Lawrence – Fence & Security	6,700	Capital Receipts	School Amalgamations
Lawley Primary – Fencing	8,500	Capital Receipts	School Amalgamations
West Road – Window Improvements	15,000	Capital Receipts	School Amalgamations
PFI Post Construction NOCs	40,000	DCSF Grant	School Amalgamations
PFI – Access Road	8,863	Capital Receipts	School Amalgamations
Corporate Fees	100,000	Capital Receipts	School Amalgamations
Music Service	25,000	DCSF Grant	School Amalgamations
Old Park Primary	29,248	Sure Start Grant	Childrens Centres
Burton Borough - Roof Works	16,000	Prudential Borrowing	School Amalgamations
Redhill Primary – Boiler Replacement	18,000	Prudential Borrowing	School Amalgamations
Charlton Pupil Referral Unit	100,000	Borrowing Approval	Lightmoor Primary
Charlton Pupil Referral Unit	30,000	Borrowing Approval	Modernisation
Minor Works	15,000	DCSF Grant	School Amalgamations
Catering Cashless System	16,666	DCSF Grant	School Amalgamations
Ercall Wood Demountable	2,073	Borrowing Approval	School Amalgamations
Ercall Wood Demountable	13,727	Capital Receipts	School Amalgamations

Capital Approvals – New Allocations and Slippage (2008/09 unless stated)

Portfolio	Scheme	Amount £	Funding Source
<u>ADULT & CONSUMER CARE</u>			
	Regeneration and Growth	(579,000)	Prudential Borrowing rephased into 2009/10
	Downing house	(500,000)	Prudential Borrowing rephased into 2009/10
	Extra Care Housing	(1,000,000)	Prudential Borrowing rephased into 2009/10
<u>COMMUNITY SERVICES</u>			
	Brookside School	(250,000)	Capital Receipts rephased into 2009/10
	ICT/E-Government	(344,000)	Capital Receipts rephased into 2009/10
	Modernise Swimming Pool Provision	49,066	DCMS Grant
<u>ENVIRONMENT & REGENERATION</u>			
	Woodside Regeneration	(290,000)	Capital Receipts rephased into 2009/10
	Woodside Regeneration	(1,370,000)	Grant rephased into 2009/10
	Woodside Regeneration AWM/HLF Wellington	(230,000)	Prudential Borrowing rephased into 2009/10
	Market Town Initiative	(175,262)	External contributions rephased into 2009/10
	Waste Improvement Initiatives	173,619	DEFRA
	Railfreight	3,650,000	Prudential / Capital Receipt
	RASP / Wheels to Work	50,000	AWM
<u>CHILDREN & YOUNG PEOPLE</u>			
	Malinslee Development & PCT Building	(750,000)	Capital Receipt rephased into 2009/10
	Moorfield Primary	17,646	Governors Contribution
	Old Park Primary	60,000	PCT Contribution
	Standards Fund	163,520	DCSF
	Information Systems for Parents & Providers	21,515	DCSF
	Shortwood Primary	124,375	Section 106 Receipt
	Shortwood Primary	39,625	Section 106 Receipt
	Shortwood Primary – Foundation Area Alts	82,701	Section 106 Receipt
	Sutherland School FEAST	87.500	Government Grant

TELFORD & WREKIN COUNCIL

CABINET - 23rd FEBRUARY 2009

TREASURY MANAGEMENT STRATEGY AND UPDATE

REPORT OF THE CORPORATE DIRECTOR : RESOURCES AND HEAD OF FINANCE

1. PURPOSE

- To update Members on Treasury Management activities,
- To recommend the Treasury Management, Minimum Revenue Provision and Annual Investment Strategies for 2009/10

2. RECOMMENDATIONS

Members are asked to recommend to Council:

Approval of the Treasury Management, Minimum Revenue Provision and Investment Strategies for 2009/10 as outlined in the report.

Approval for West Mercia Supplies to be able to use a US Dollar Account .

3. SUMMARY

The report updates members on the recent Treasury Management activities undertaken and outlines the proposed Treasury Management Strategy and Borrowing Limits for 2009/10. The report is based on the Guidance on Local Authority Investments issued by CLG.

4. PREVIOUS MINUTES

Council 26th June 2008

Council 6th March 2008

5. 2008/09 TREASURY MANAGEMENT UPDATE

5.1 INTEREST RATES

Base rates started the year at 5.25%, and were then reduced to 5.00% on 12th April 2008 with further reductions from October onwards reflecting a response to the growing lack of liquidity in financial markets and the accelerating move of the global economy into recession .Base rate now stands at 1.0% with further cuts

to 0.5% or even 0.0% possible in the next few months .Base rate has never before fallen below 2% in over 300 years of the Bank of England's existence

5.2 BORROWING & RESCHEDULING

The borrowing strategy for the current year has been to take a pragmatic approach to the use of both PWLB borrowing and other loan instruments, spreading interest rate risk and taking advantage of low rates when available .The alternative form of loans used has been in the form of LOBOs-Lender's Option Buyer's Option –where within the total life of the loan there is a period when the rate is fixed and after that the buyer has the option to change the rate, but if they do then the borrower also has the option to repay the loan. A summary of the transactions for the year to date is shown below.

Rescheduling

In order to take advantage of recent borrowing rate structures and offset potential shortfalls in investment income over the next 1-2 years ,some of the Council's borrowing portfolio has been restructured .Any discounts achieved as part of these transactions have to be spread over the remaining life of the loan or 10 years whichever is the shorter.

Date	Action	Amount £m	Annual Impact on the Budget for 10 years
11/11/08	Repaid - 4.30% loan	5.000	Discount £28,054 p.a.
11/11/08	Repaid - 4.20% loan	5.000	Discount £35,217 p.a.
11/11/08	Repaid - 4.35% loan	5.000	Discount £24,606 p.a.
21/11/08	Repaid - 4.40% loan	5.000	Discount £16,229 p.a.
21/11/08	Repaid - 4.45% loan	5.000	Discount £12,180 p.a.
21/11/08	Repaid - 4.45% loan	5.000	Discount £12,201 p.a.
28/01/09	Repaid - 4.25% loan	25.000	Discount £100,409 p.a.
28/01/09	Repaid - 4.45% loan	8.000	Discount £0 p.a.
28/01/09	Repaid - 4.45% loan	7.000	Discount £0 p.a.

New Borrowing

The following new loans have been arranged so far this year

Date	Action	Amount £m	Impact on budget
11/11/08	New PWLB - 1.5 yrs	5.000	2.69%
11/11/08	New PWLB - 2.0 yrs	5.000	2.87%
11/11/08	New PWLB - 2.5 yrs	5.000	3.05%
11/11/08	New PWLB – 3.5 yrs	5.000	3.38%
21/11/08	New PWLB – 3.0 yrs	10.000	2.88%

We have taken advantage of increases in PWLB rates and a negative yield curve to restructure a number of loans. In total discounts of £2.290m were

generated which will be credited to revenue over a 10 year period under the new accounting regulations when previously full benefit could have been taken in the current year.

Additionally between the period 1 June 2008 (previous Member update) and 31 December 2008 ,£65.2M of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 2.25% to 5.50%-interest rates were higher at the beginning of the year but have fallen in line with the cuts in base rates. £9.7m of this temporary borrowing was outstanding at 31st December, but has since been replaced by cheaper borrowing as rates have continued to ease.

The latest restructuring offers greater flexibility in next year's strategy to consider reducing investment exposure and/or consider taking advantage of low short term borrowing rates ,both of which will mitigate the impact of declining investment returns.

5.3 INVESTMENT

The strategy for the current year is: To gain maximum benefit, subject to risk control parameters, whilst achieving as a minimum target the 7 day deposit rate.

5.3.1 Fund Managers

The average value of the portfolios held by the three fund managers in the nine months to 31st December are as follows:

	Average Capital Value	Interest Year to date (annualised %)	
	£m	£m	%
Aviva	18.697	0.764	5.05
Invesco	18.981	0.870	5.60
Investec	<u>18.792</u>	<u>1.117</u>	<u>6.95</u>
	<u>56.470</u>	<u>2.751</u>	<u>5.87</u>

Fund Managers have performed extremely well in 2008/09. Unfortunately the outlook for 2009/10 is much less promising.

5.3.2 In-House Investments

Not all of the Council's investments are externally managed- a mix of both temporary investments for cash flow purposes and longer term investments are undertaken internally:

Temporary Investments

A proportion of funds are invested by the Council's own officers in order to maximise returns from day to day cash flows. The target return is to achieve at least the seven day deposit rate. The target return to 31st December was

4.38% and the actual rate achieved was 5.72%.

In total £300.6m of investments were placed between 1st June and 31st December. Interest rates have ranged from 1.20% to 6.00% and periods ranged from overnight deposits to 364 days. £1.95m in house temporary investments were held at 31st December 2008.

Longer Term Investments

A number of internally managed deposits have been made as an alternative to fund managers. These are as follows.

		£m	%
Fixed Deposit	01/11/06 – 09/11/09	5.0	5.22
Fixed Deposit	22/01/07 – 24/01/11	5.0	5.52
Fixed Deposit	01/10/08 – 01/10/13	5.0	6.62
Fixed Deposit	01/10/08 – 01/10/13	5.0	6.80
Fixed Deposit	13/11/08 – 13/05/09	5.0	4.50
Fixed Deposit	17/11/08 – 18/05/08	5.0	4.50
Callable Deposit (Annual Calls)	10/06/08 – 10/06/13	5.0	5.70
Callable Deposit (Annual Calls)	29/06/07 – 29/06/12	5.0	5.66
Callable Deposit (Annual Calls)	03/07/07 – 03/07/12	5.0	5.66
Callable Deposit (Annual Calls) *	01/08/08 – 03/08/09	5.0	5.70
Callable Deposit (Quarterly Calls)	22/04/08 – 22/04/13	5.0	6.29
Callable Deposit (Annual Calls) *	09/01/07 – 06/03/09	5.0	6.26
Callable Deposit (Annual Calls) *	31/03/08 – 31/03/09	5.0	6.32
Callable Deposit (Annual Calls) *	22/04/08 – 22/04/09	5.0	6.30
Flippable Deposit	30/07/08 – 30/01/09	5.0	7.40

* These deposits were restructured into the following fixed deposits during July and August 2008 in advance of their maturity.

		£m	%
Fixed Deposit	03/08/09 – 01/08/14	5.0	6.32
Fixed Deposit	06/03/09 – 06/03/14	5.0	6.31
Fixed Deposit	31/03/09 – 31/03/14	5.0	6.37
Fixed Deposit	22/04/09 – 22/04/14	5.0	6.35

Supranational Bonds

Another form of investment undertaken internally is in the form of Supranational Bonds. The Council held an average of £4.2m of investments in a Supranational bond which are returning £0.221m at an average rate of 5.28% for 2008/09. This bond matures in December 2009.

5.3.3 Overall Position and Exposure

A full analysis of all Council investments at the end of December is shown in Appendix 1.

Appendix 2 shows the Council's total investment with each counterparty. Potentially, each investment manager may place £5m of the funds managed on the Council's behalf with the same institution that the Council has placed up to £5m with (except for Royal Bank of Scotland, National Australia Bank and Halifax Bank of Scotland which are ring fenced for sole use by the council), giving a current maximum potential exposure to any one counterparty of £20m. At the end of December the greatest exposure with a single counterparty was £20.0m with Royal Bank of Scotland and Barclays (just over 14.4% of the total portfolio).

Supranational bonds have a much higher credit rating than normal investments and we are secure with a potential higher exposure as a consequence.

Potentially, each investment manager may place £10m of the funds managed on the Council's behalf with the same institution that the Council has placed up to £15m with, giving a current maximum potential exposure to any one counterparty of £45m. At the end of December the greatest exposure with a single counterparty was £4.2m with EIB (just over 3.0% of the total portfolio).

The Council is guided by its Treasury advisers Sector in assessing investment risks and is likely to move towards a wider range of indicators than the traditional credit ratings following the problems in the banking sector over the last 12 months .

5.4 LEASING

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost over a number of years.

The first drawdown for 2008/09 was on 24th September. The drawdown from JCB Finance totalled £0.259m and funded the purchase of vehicles, leisure equipment, and ICT equipment over three, five and seven year periods at interest rates between 5.65% and 5.86%.

The next leasing drawdown of the current year is due to take place in March.

6. TREASURY STRATEGY FOR 2009/10 to 2011/12

6.1 BACKGROUND

6.1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

6.1.2 The Act therefore requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

6.1.3 The suggested strategy for 2009/10 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- debt rescheduling;
- the investment strategy;
- the MRP Strategy;
- any extraordinary treasury issues

6.1.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
2. any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

6.2 TREASURY LIMITS FOR 2009/10 to 2011/12

6.2.1 It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit" or "Authorised Limit for External Debt". In England and Wales the authorised limit represents the legislative limit specified in section 3 of the Local Government Act 2003.

6.2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

6.2.3 Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

6.3 PRUDENTIAL INDICATORS FOR 2009/10 - 2011/12

6.3.1 The following prudential indicators (in table below) are relevant for the purposes of setting an integrated treasury management strategy.

6.3.2 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted on 7th March 2002 by Full Council.

PRUDENTIAL INDICATOR	2008/09	2009/10	2010/11	2011/12
	Probable Outturn	Estimate	Estimate	Estimate
(1). EXTRACT FROM BUDGET SETTING REPORT				
Incremental impact of capital investment decisions	£	£	£	£p
Increase in council tax (band B, in year)	0.10	4.22	10.97	15.30
	£m	£m	£m	£m
Capital Expenditure	76.678	44.798	38.629	20.127
Ratio of financing costs to net revenue stream	1.50%	1.50%	1.55%	1.65%
Net borrowing requirement				
Brought forward 1 April	37.108	69.436	88.639	105.382
Carried forward 31 March	69.436	88.639	105.382	98.479
In year borrowing requirement	32.328	19.203	16.743	-6.903
In year Capital Financing Requirement	32.277	17.951	14.642	-9.738
Capital Financing Requirement (as at 31 March)	133.3	151.2	165.9	156.1

PRUDENTIAL INDICATOR	2008/09	2009/10	2010/11	2011/12
	£m	£m	£m	£m
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS				
<i>Authorised limit for external debt</i>				
Borrowing	270	300	320	320
Other long term liabilities	6	6	7	8
TOTAL AUTHORISED LIMIT	276	306	327	328
<i>Operational Boundary</i>				
Borrowing	250	280	300	300
Other long term liabilities	4	4	5	6
TOTAL	254	284	305	306
<i>Upper limit for fixed interest rate exposure</i>				
Expressed as :-				
Net principle re fixed rate borrowing / investments: -	180	190	200	210
<i>Upper limit for variable rate exposure</i>				
Expressed as -				
Net principle re variable rate borrowing / investments	0	0	0	0
Upper limit for variable rate exposure expressed as				

Net principle re gross variable rate borrowing and investments divided gross borrowing plus investments	80%	80%	80%	80%
Upper limit for total principal sums invested for over 364 days (per maturity date)	80%	90%	90%	90%

Maturity structure of fixed rate borrowing	Lower Limit	Upper limit
Under 12 months	0%	20%
12 months and within 24 months	0%	25%
24 months and within 5 years	0%	50%
5 years and within 10 years	0%	75%
10 years and above	25%	100%

6.4 PROJECTED PORTFOLIO POSITION FOR 2009/10

The Council's estimated treasury portfolio position at 01/04/09 is:

		Principal	Ave. rate
		£m	%
Fixed rate funding	PWLB	70	
	Market	<u>55</u>	125 4.12
Variable rate funding	PWLB	0	
	Market	65	65 1.50
Other Long term liabilities		<u>0</u>	
TOTAL DEBT		<u><u>190</u></u>	3.22
TOTAL INVESTMENTS			137 3.95

6.5 BORROWING REQUIREMENT

	2009/10	2010/11	2011/12
	£'000	£'000	£'000
	Estimate	Estimate	Estimate
New borrowing	23.0	20.5	-3.1
Alternative financing arrangements (Leasing)	1.0	1.0	1.0
Replacement borrowing	0.0	0.0	0.0
TOTAL	24.0	21.5	-2.1

6.6 PROSPECTS FOR INTEREST RATES

6.6.1 The Council appointed Sector Treasury Services as a treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the UBS forecast, which is Sector's central view and following that is their view of economic prospects and potential borrowing strategies:

6.6.2 **Sector View** interest rate forecast – January 2009

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB rate	2.60%	2.45%	2.30%	2.30%	2.30%	2.50%	2.85%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB rate	3.60%	3.35%	3.20%	3.20%	3.25%	3.35%	3.60%	3.95%	4.30%	4.55%	4.80%	4.85%	4.90%
25yr PWLB rate	4.15%	4.05%	4.00%	4.00%	4.10%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.05%	5.10%
50yr PWLB rate	4.10%	3.95%	3.90%	3.90%	3.95%	4.00%	4.05%	4.25%	4.45%	4.70%	4.85%	4.95%	5.05%

6.6.3

Sector's current interest rate view is that Bank Rate: -

- will fall from current levels because of the intensifying global recession
- Starting 2009 at 2.00% the rate has since fallen to 1%, Bank Rate is forecast to fall to 0.5% in Q1 2009
- It is then expected to remain there until starting to rise gently up from Q2 2010 till it reaches 4.0% in Q1 2012.
- There is downside risk to these forecasts if the recession proves to be deeper and more prolonged than currently expected.

6.6.4

Economic background

Introduction

- The sub prime crisis of early 2008 was supplanted by the banking crisis of autumn 2008. The world banking system came near to collapse and governments around the world were forced to recapitalise and rescue their major banks. The resulting dearth of lending from banks anxious to preserve capital led to economic forecasts being sharply reduced and recession priced into markets. This in turn led to sharp falls in oil and other commodity prices with the result that inflation, which in the UK was running at over 5%, became yesterday's story and recession fears drove interest rate sentiment and policy. A co-ordinated global interest rate cut of 50bp took place on 8th October 2008. Forecasts in the UK were for further sharp cuts in interest rates as recession hove into view.

International

- Early in 2008 the US economy was being badly affected by the housing market slump. Interest rates were at 2% and inflation was being dragged higher by the inexorable rise in commodity prices. The ECB was very concerned about rising inflation and less about the state of the economy.
- The second quarter of 2008 was torn between inflation worries on the one hand, with oil rising towards \$150 per barrel, and the deteriorating economic outlook on the other.

- In the second and third quarters of the year the financial crisis erupted and escalated as the world became aware of the extent of the sub-prime fiasco and the impact it was having on institutions that had invested in these issues.
- In September Fannie Mae/Freddie Mac (the mortgage banks) and AIG, the insurance giant, had to be bailed out by the US Federal Government.
- Then in mid September, Lehman Bros., the investment bank, was allowed to fail. This triggered a domino effect with other banks and financial institutions having to be rescued or supported by governments around the world.
- After the collapse into receivership of the Icelandic banks in early October, other countries then started to feel the strain and a number had to approach the IMF for support.
- Eventually even the Asian 'Tiger' economies were affected, including India and China, and it became clear that the crisis had become a global one and no country was insulated from it.
- The financial crisis had therefore precipitated an economic crisis and there was a co-ordinated global interest rate cut with the Fed, ECB and MPC all cutting rates by 50bp on 8th October. The Fed subsequently cut rates again by 50bp to 1% on 29th October and again on 16 December to a band of 0.0% to 0.25% in an attempt to stave off the oncoming recession. Inflation was yesterday's problem.
- On 4th November the USA elected Barack Obama as President with little immediate financial impact.
- The ECB reduced rates again on 6th November by 50bp and by its biggest ever cut of 75bp on 4 December to reach 2.5%.

UK

- GDP: growth was already slowing in 2008 from 2007 before the full impact of the credit crunch was felt. Earlier in 2008 GDP was 2.3% whereas in the autumn the figure fell back to -0.3% and was then expected to continue to be negative going into 2009.
- Wage inflation remained relatively subdued as the Government kept a firm lid on public sector pay. Private sector wage growth was kept in check by the slowing economy.
- Growth slowed across the economy and unemployment rose throughout the year with forecasts of 2 million unemployed by the end of the financial year and continuing to increase thereafter through 2010.

- Notwithstanding the pressures on household finances consumer spending still continued at a reasonable clip although the trend was slowing as the year progressed.
- Bank lending came to a virtual standstill in the autumn as the credit crunch tightened its grip and various banks internationally had to be rescued, or supported, by their governments.
- The Government and Bank of England supplied massive amounts of liquidity to the banking market in an attempt to reignite longer interbank lending.
- The Government took action in September to either supply finance itself to recapitalise some of the major clearing banks or to require the others to strengthen their capital ratios by their own capital raising efforts. This was so that these banks would be seen to have sufficient reserves to last through the coming recession with its inevitable increase in bad loans etc.
- The housing market also came to a virtual standstill as lenders demanded larger deposits and higher fees. House sales and prices both dropped sharply.
- Government finances deteriorated as income from taxation dropped as the economy slowed and the cost of the bailout of the banks was added to the deficit.
- U.K. equity prices declined sharply in the 3rd and 4th quarters as the impending recession was priced into the markets. Prices hit five year lows and volatility was extremely high.
- The story of 2008 has been the credit crunch, the banking crisis and the change in economic outlook from slow growth to outright recession. After the initial concerns about the impact of the credit crunch in the earlier part of 2008 it appeared as though the storm had been weathered. The MPC had been very concerned about CPI inflation, which had been rising sharply on the back of higher commodity and food prices. Bank Rate reached a peak of 5.75% in July 2007 after which cuts of 0.25% occurred in December 2007 and February and April 2008 before the major cuts in the autumn. The economic data had been indicating a slowing economy for some while but it was not sufficiently weak to force the MPC into another cut. It was the strength of the banking crisis, pre-empted by the collapse of Lehmans in New York that eventually drove the MPC to cut interest rates by 50bp on October 8th in concert with the Federal Reserve, the ECB and other central banks. It was then appreciated that the economic downturn would be much more severe than previously thought and interest rates were subsequently slashed by 150bps on 6 November, 100bps on 4 December and 50 bps on 8 January 2009.
- The LIBOR spread over Bank Rate has also been a feature, and a

concern, of 2008/9. Because of the credit fears and the reluctance of lenders to place cash for long periods 3 month LIBOR (this is the London Inter Bank Offer Rate – the rate at which banks will lend to one another) has been substantially higher than Bank Rate. This has meant that the MPC's power over monetary policy has been eroded by the widening of this spread between LIBOR and Bank Rate and it has therefore had a limited ability to bring relief to hard pressed borrowers through lower interest rates. However, the power of the Government over the semi nationalised clearing banks had considerable impact in enforcing pro rata reductions to the 150 bps Bank Rate cut in November on some borrowing rates.

- The Government has abandoned its 'golden rule'. The pre Budget Report on 14 November revealed the Government's plans for a huge increase in Government borrowing over coming years as a result of falling tax revenues and also due to tax cuts and increases in Government expenditure in the short term designed to help stimulate economic growth to counter the recession.

6.7 BORROWING STRATEGY

6.7.1 The Sector forecast for PWLB rates is as follows: -

- The 50 year PWLB rate is expected to fall to 3.90% from current levels of around 4.30 - 4.50% until Q2 2010 when it is forecast to rise to 3.95%. The rate then edges up gradually to reach 5.05% at the end of the forecast period.
- The 25 year PWLB rate is expected to drop to 4.00% over the next few months and stay around there until starting to rise in Q1 2010 and then to eventually reach 5.10% at the end of the forecast period.
- The 10 year PWLB rate is expected to drop to 2.20% in Q3 2009 but then to start rising again in Q2 2010 to eventually reach 4.90% at the end of the forecast period.
- The 5 year PWLB rate is expected to fall to a floor of 2.30% during Q3 2009. The rate then starts rising in Q2 2010 to eventually reach 4.60% at the end of the forecast period.

This forecast indicates, therefore, that there is a range of options available for borrowing strategy for 2009/10. Variable rate borrowing is expected to be cheaper than long term borrowing and will therefore be attractive throughout the financial year compared to simply taking long term fixed rate borrowing. Under 10 year PWLB rates are expected to be substantially lower than longer term PWLB rates so this will open up a range of choices for new borrowing for authorities that want to spread their debt maturities away from a concentration in long dated debt. Rates are expected to be slightly lower at the middle to end of

the year than earlier on so it may be advantageous to borrow later in the year.

For authorities wishing to minimise their debt interest costs, the main strategy is therefore as follows:

- For authorities wanting to focus on the very cheapest PWLB borrowing, the under 10 year rates will provide significantly cheaper rates than longer term borrowing. Under 5 year rates are also expected to be significantly lower than 5-10 year rates. Rates are expected to be slightly lower at the middle to end of the year than earlier on so it may be advantageous to borrow later in the year.
- For authorities wanting to lock into historically low long term rates, there is expected to be little difference between 25 year and 50 year rates. However, despite the minimally more expensive new borrowing rates expected in the 25 – 30 year period later in the year, these could be seen as being much more attractive than 50 year borrowing as the spread between the PWLB new borrowing and early repayment rates is considerably less. This then maximises the potential for debt rescheduling at a later time by minimising the spread between these two rates.
- This strategy would also mean that after some years of focusing on borrowing at or near the 50 year period, local authorities would be able to undertake borrowing in a markedly different period and so achieve a better spread in their debt maturity profile.
- When long term PWLB rates fall back to the central forecast rate of about 3.95%, borrowing should be made at any time in the financial year. A suitable trigger point for considering new fixed rate long term borrowing, therefore, would be 3.95%. The central forecast rate will be reviewed in the light of movements in the slope of the yield curve, spreads between PWLB new borrowing and early payment rates, and any further changes that the PWLB may introduce to their lending policy and operations.
- Consideration will also be given to borrowing fixed rate market loans at 25 – 50 basis points below the PWLB target rate if they become available again.

External v. internal borrowing

- The next financial year is expected to be a time of historically abnormally low Bank Rate. This opens up an opportunity for authorities to fundamentally review their strategy of undertaking external borrowing.
- For those authorities with investments in excess of their borrowing requirement over the next year and access to the cash from maturing investments within the financial year, then consideration also needs to

be given to the potential merits of internal borrowing.

- As long term borrowing rates are expected to be higher than rates on the loss of investment income and look likely to be so for the next couple of years or so, authorities may prefer to avoid all new external borrowing in the next financial year in order to maximise savings in the short term.
- The running down of investments also has benefits of reducing exposure to interest rate and credit risk.

Against this background caution will be adopted with the 2009/10 treasury operations. The Corporate Director : Resources will monitor the interest rate market and adopt a pragmatic approach to changing circumstances including use of borrowing other than that offered by the Public Works Loans Board, reporting any decisions to Council at the next available opportunity.

Sensitivity of the forecast - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*
- *if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.*

However, after the freezing of some local authority investments by Icelandic banks now in receivership, many local authorities are currently concerned about the safety of investments and the ability of authorities to rely on credit ratings as a basis for ensuring that investments can be undertaken safely, especially for longer periods of time. The approach of this authority is therefore to, where appropriate, utilise investments as they mature to reduce borrowing.

6.8 DEBT RESCHEDULING

- 6.8.1** Due to short term borrowing rates being expected to be considerably cheaper than longer term rates, there are likely to be significant opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in

the light of their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a rebalancing of an authority's debt maturities towards a flattening of the maturity profile as in recent years there has been a skew towards longer dated PWLB.

Consideration will also be given to the potential for making savings by running down investment balances by repaying debt prematurely as short term rates on investments are likely to be lower than rates paid on currently held debt. However, this will need careful consideration in the light of premiums that may be incurred by such a course of action and other financial considerations.

As average PWLB rates in some maturity periods are expected to be minimally higher earlier on in the financial year than later on, there should therefore be greater potential for making marginally higher interest rate savings on debt by doing debt restructuring earlier on in the year. Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 7 above.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- help fulfil the strategy outlined in paragraph 7 above; and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to the Cabinet.

6.9 OTHER ISSUES

6.9.1 PFI Contract

The Council has a large PFI scheme contract in place which may have an impact on the strategy for later years.

West Mercia Supplies-\$ account

The Council has for many years been part of a joint arrangement – West Mercia Supplies-with 3 other local councils ,to gain benefits from joint procurement arrangements. West Mercia Supplies carry out a large number of their transactions in dollars and it would benefit their business if they were able to maintain a dollar account. All three other Councils are altering their Treasury Strategies to allow them to do this and we are proposing to do the same.

6.10 ANNUAL INVESTMENT STRATEGY 2009/10

6.10.1 Investment Policy

The Council will have regard to the CLG's Guidance on Local

Government Investments (“the Guidance”) issued in March 2004 and CIPFA’s Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”). The Council’s investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed below under the ‘Specified’ and ‘Non-Specified’ Investments categories. Counterparty limits will be as set through the Council’s Treasury Management Practices – Schedules.

6.10.2 Specified Investments

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – UK government	--	In-house
Term deposits – other LAs	--	In-house
Term deposits – banks and building societies up to 364 days*	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Term deposits – banks and building societies up to 6 months*	Short-term F1, Long-term A, Support 3, Individual C, Country AA-	In-house
Callable Deposit	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Callable Range Accrual	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Snowball	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Certificates of deposits issued by banks and building societies	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	Fund Managers
Money Market Funds	AAA	In-house and fund managers
Enhanced Cash Funds	AAA	In-house and fund managers
UK Government Gilts	AAA	Fund Managers
Gilt Funds and Bond Funds	long-term AAA	Fund Managers
Bonds issued by multilateral development banks	AAA	In-house on a ‘buy and hold’ basis and for use by fund managers
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a ‘buy and hold’ basis and for use by fund managers

Sovereign bond issues (i.e. other than the UK govt)	AAA	In-house on a 'buy and hold' basis and for use by fund managers
Treasury Bills		Fund Managers

6.10.3 Non-Specified Investments:

A maximum of 90% will be held in aggregate in non-specified investments

	Minimum Credit Criteria	Use
Term deposits – UK government (with maturities in excess of 1 year)		In-house
Term deposits – other LAs (with maturities in excess of 1 year)		In-house
Term deposits – banks and building societies (with maturities in excess of 1 year)	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house
Certificates of deposits issued by banks and building societies	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	Fund managers
Callable Deposit	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Callable Range Accrual	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
Snowball	Short-term F1+, Long-term AA-, Support 3, Individual C, Country AA-	In-house and fund managers
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Sovereign bond issues (i.e. other than the UK govt)	AAA	Fund Managers
Corporate Bonds: <i>the use of these investments currently constitute capital expenditure and the Council will not utilise them whilst they do.</i>	* Long-term AA-,	Fund Managers
Floating Rate Notes: <i>the use of these investments would constitute capital expenditure and the Council will not utilise them whilst they do.</i>	* Long-term AA-,	Fund Managers
Property fund: <i>the use of these investments would constitute capital expenditure</i>		Fund Managers

The Council's external fund managers will comply with the Annual Investment Strategy. The agreements between the Council and the fund managers additionally stipulate guidelines and duration and other limits in order to contain and control risk.

The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's rating will be used. All credit ratings will be monitored as a minimum monthly. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

If a body is placed on negative rating watch (i.e. there is a reasonable probability of a rating change and the likelihood of that change being negative) and it is currently near the floor of the of the minimum acceptable rating for placing investments with that body, then no further investments will be made with that body.

Along with Sector the Council is considering using a wider range of indicators in risk assessing financial institutions in future as well as reducing its level of investment exposure .

6.10.4 Investment Strategy

In-house funds: Some of the Council's in house investments arise from cashflow but we do also have a holding of supranational bonds and callable deposits. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

The Council holds the following investments that span the end of the financial year

	Amount £m	Maturity	Rate
Allied Irish Bank	2.000	13/05/2009	4.50%
EBS	3.000	18/05/2009	4.50%
Lloyds TSB	5.000	02/11/2009	5.22%
European Investment Bank	4.000	09/12/2009	5.28%
Alliance & Leicester	5.000	24/01/2011	5.52%
Deutsche Bank	5.000	29/06/2012	5.66%
National Australia Bank	5.000	03/07/2012	5.66%
Royal Bank of Scotland	10.000	30/07/2012	7.40%/Var
National Australia Bank	5.000	22/04/2013	6.29%
Royal Bank of Scotland	5.000	10/06/2013	5.70%
Dexia	5.000	01/10/2013	6.62%
Royal Bank of Scotland	5.000	01/10/2013	6.80%
Barclays Bank	5.000	06/03/2014	6.31%
Barclays Bank	5.000	31/03/2014	6.37%
Barclays Bank	5.000	22/04/2014	6.35%
Barclays Bank	5.000	01/08/2014	6.32%

Interest Rate Outlook: Bank Rate started on a downward trend from 5.75% in December 2007 with further cuts of 0.25% in February and April 2008, then 0.5% in October, 1.5% in November, 1% in December and 0.5% in January 2009 and again in February to reach 1.0% currently. Further cuts are expected during Q1 2009. It is then expected to stabilise at 0.50% until starting to rise gradually with the first increase in Q2 2010 and then to be back up to 4.00% during Q1 2012.

Councils should therefore avoid locking into longer term deals while investment rates are down at historically low levels.

For its cash flow generated balances, the Council will seek to utilise short-dated deposits (1-3 months) in order to benefit from the compounding of interest.

Fund Manager's View on Interest Rates: at the 31st December £58m of the Council's funds were externally managed on a discretionary basis by Investec, Invesco and Aviva. Their view on interest rates and opportunities for gilts/bonds is that base rates will fall further during 2009/10, but with interest rates at such low levels the return on the portfolio will be between 2 and 3%. A pragmatic approach will be made to investments looking to exploit any opportunities in the market.

End of year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

7.0 MINIMUM REVENUE PROVISION (MRP) STRATEGY

The Council uses a mix of Government supported borrowing (annual capital allocations supported through Revenue Support Grant) and Prudential Borrowing (cost falls entirely on the Council) to fund part of its Capital Programme –covered by one of the other reports on this agenda .When borrowing money for these purposes the accounting rules have required a related annual charge through to the Revenue budget .This has to cover both interest costs incurred on the borrowing plus writing down the original cost of the capital spend by 4% each year (of the residual asset cost)-and known as MRP.

Right at the end of last financial year the government issued new guidelines requiring a changed approach to MRP with an accompanying policy statement to be made annually .Guidelines propose alternative options in future for MRP calculations which are part of a longer term overall move towards private sector accounting standards .The Council is required to approve its proposed MRP Strategy and this Council's proposal together with a commentary on what MRP is and how the new powers will operate are shown in Appendix 3.

The Policy states that for historic debt and new supported borrowing MRP will continue to be assessed as 4% of the reducing balance. For prudential borrowing MRP will now be charged to revenue based on the life of the asset and will only become due after the asset is fully operational .It is also the Council's intention ,subject to agreement with its external auditors, to enable MRP breaks to be taken in relation to assets that will only be temporarily funded by prudential borrowing in lieu of the capital receipt. It is important to use these new flexibilities prudently and final application of the revised policy will be agreed with the external auditors ..

8.0 IMPLICATIONS

8.1 Equal Opportunities

No implications

8.1 Environmental Impact

No impact

8.2 Legal Comment

The Annual Investment Strategy is required under the Guidance for Local Authority Investments issued by CLG.

8.3 Links with Corporate Priorities

A sound treasury management policy and strategy underpins the overall budget and resources of the Council.

8.4 Financial Implications

Where appropriate these are detailed in the body of the report.

8.5 Opportunities & Risks

The opportunities and risks associated with the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

8.6 Ward Implications

District Wide Implications

9.0 BACKGROUND PAPERS

CIPFA Code of Practice for Treasury Management in Local Authorities

Fund Manager Valuations

Temporary Borrowing Records

PWLB records

Investment records

Draft Treasury Strategy provided by Sector

Local Government Act 2003

CLG Guidance on Local Authority Investments

The Local Authorities(Capital Finance & Accounting) (England) (Amendment) Regulations 2008

For further information please contact:

Bernie Morris ,Finance Manager (01952) 383702

Paul Clifford, Head of Finance (01952) 383700.

SUMMARY OF INVESTMENTS AS AT 31 DECEMBER 2008

	CREDIT RATE	INVESCO	%	INVESTEC	%	AVIVA	%	IN HOUSE	%	SUPRA- NATIONALS	%	TOTAL	%
		£'000's		£'000's		£'000's		£'000's		£'000's		£'000's	
<u>FIXED TERM DEPOSITS</u>													
Alliance & Leicester	F1+ AA- B/C 1							5,000				5,000	
Allied Irish Bank	F1+ A C 1							2,000				2,000	
Dexia	F1+ AA- C 1							5,000				5,000	
EBS Building Soc	F1+ A- B/C 2							3,000				3,000	
HSBC Bank	F1+ AA A/B 1							1,950				1,950	
Lloyds TSB	F1+ AA+ A 1							5,000				5,000	
Royal bank of Scotland	F1+ AA- B/C 1							5,000				5,000	
TOTAL		0	0.00	0	0.00	0	0.00	26,950	35.02	0	0.00	26,950	19.41
<u>CD'S</u>													
Abbey National	F1+ AA- B 1			2086		611						2,697	
Allied Irish Bank	F1+ A C 1			1950								1,950	
Banco Bilbao	F1+ AA- A/B 1	1,906				1703						3,609	
Bank of Ireland	F1+ A C 1	1,926										1,926	
Bank of Nova Scotia	F1+ AA- B 1					3001						3,001	
Bank of Scotland	F1+ AA B 1	2,829										2,829	
Calyon	F1+ AA- C 1			1781		1679						3,460	
Commonwealth Bank Australia	F1+ AA A/B 1					1006						1,006	
Credit Agric	F1+ AA- B 1	1,821										1,821	
Credit Suisse Boston	F1+ AA- N/R 1	1,883		969								2,852	
Danske Bank	F1+ AA- B 1			1,017								1,017	
HSBC Bank	F1+ AA A/B 1	1,047										1,047	
ING Bank	F1+ AA B 1	2,861		2,838		3,014						8,713	
Lloyds Bank	F1+ AA+ A 1	1,503		2,903		1,864						6,270	
Nationwide	F1+ AA- B 1			2,887								2,887	
Nordea Bank	F1+ AA- B 1	1,778				1,786						3,564	
UBS	F1+ A+ B/C 1			2,902		1,766						4,668	
TOTAL		17,554	90.39	19,333	99.92	16,430	86.31			0	0	53,317	38.40
<u>SUPRANATIONAL BONDS</u>													
European Investment Bank	F1+ AAA	129								4,089		4,218	
TOTAL		129	0.66	0	0.00	0	0.00			4,089	100	4,218	3.04
<u>GILTS</u>													
			0.00		0.00	1,875	9.85			0	0.00	1,875	1.35
<u>CASH</u>													
		1,738	8.95	16	0.08	730	3.84			0	0.00	2,484	1.79
<u>CALLABLE DEPOSITS</u>													
The Royal Bank of Scot	F1+AA- B/C 1							15,000				15,000	
Deutsche Bank	F1+AA- B 1							5,000				5,000	
National Australia Bank	F1+AA B 1							10,000				10,000	
Barclays Bank	F1+AA B 1							20,000				20,000	
									64.98				36.01
TOTAL		19,421	100	19,349	100	19,035	100	76,950	100	4,089	100	138,844	100

TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 2008

	CREDIT RATING	TOTAL £'000'S
Abbey National	F1+AA- B 1	2,697
Alliance & Leicester	F1+AA- B/C 1	5,000
Allied Irish Bank	F1+A C 1	3,950
Banco Bilbao	F1+AA- A/B 1	3,609
Bank of Ireland	F1+A C 1	1,926
Bank of Nova Scotia	F1+AA- B 1	3,001
Bank of Scotland	F1+AA B 1	2,829
Barclays Bank	F1+AA B 1	20,000
Calyon	F1+AA- C 1	3,460
Commonwealth Bank Australia	F1+AA A/B 1	1,006
Credit Agric	F1+AA- B 1	1,821
Credit Suisse Boston	F1+AA- N/R 1	2,852
Danske Bank	F1+AA- B 1	1,017
Dexia	F1+AA- C 1	5,000
Deutsche Bank	F1+AA- B 1	5,000
EBS Building Soc	F1+A- B/C 2	3,000
HSBC Bank	F1+AA A/B 1	2,997
ING Bank	F1+AA B 1	8,713
Lloyds Bank	F1+AA+ A 1	11,270
National Australia Bank	F1+AA B 1	10,000
Nationwide	F1+AA- B 1	2,887
Nordea Bank	F1+AA- B 1	3,564
Royal bank of Scotland	F1+AA- B/C 1	20,000
UBS	F1+A+ B/C 1	4,668
TOTAL- FIXED TERM AND CASH DEPOSITS		130,267
Gilts		1,875
Cash		2,484
Supranational		4,218
<u>Total</u>		<u>138,844</u>

MINIMUM REVENUE PROVISION – an introduction

1. What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

2. New statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146, (as amended)

There is no requirement to charge MRP where the Capital Financing Requirement is nil or negative at the end of the preceding financial year

The share of Housing Revenue Account CFR is not subject to an MRP charge

3. New Government Guidance

Along with the above duty, the Government issued new guidance in February 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council are legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that: -

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE annual allocation..

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method.

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

- a. equal instalment method – equal annual instalments
- b. annuity method – annual payments gradually increase during the life of the asset

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

4. Date of implementation

The previous statutory MRP requirements cease to have effect after the 2006/07 financial year. However, the same basis of 4% charge may continue to be used without limit until the 2009/10 financial year, relative to expenditure incurred up to 31/3/2009.

In general it is recommended that authorities should adopt the recommendations contained within the guidance. However, in certain cases the guidance may recommend a useful life period/MRP for expenditure which it may not be considered appropriate to adopt. It is suggested that full details of MRP options/principles adopted should be set out and approved as part of the annual MRP Policy Statement.

The following is the Council's Policy Statement.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2007/08 ,2008/09 and 2009/10

The Council will implement the new Minimum Revenue Provision (MRP) guidance in 2007/08, and assess its MRP for 2007/08 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. .

The major proportion of the MRP for 2007/08 and after will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. The same approach will be applied to expenditure funded from government borrowing approval which is in line with how that borrowing is supported through RSG. Certain expenditure reflected within the debt liability at 31st March 2007 and 31st March 2008 will under delegated powers be subject to MRP under option 3 as will all future borrowing outside government borrowing approvals .This will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building. Under this method MRP will not be charged until an asset is fully complete and operational. This will also ,where prudent and subject to agreement with the Council's external auditors ,allow an MRP break in relation to schemes that are temporarily funded from prudential borrowing, but will ultimately be funded from capital receipts once realised.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

TELFORD & WREKIN COUNCIL

CABINET - 23rd FEBRUARY 2009

PRUDENTIAL INDICATORS

REPORT OF THE CORPORATE DIRECTOR : RESOURCES AND HEAD OF FINANCE

1. Purpose

- 1.1 To approve the prudential indicators for 2009/10 to 2011/12 required under the Prudential Code of Capital Finance in Local Authorities.

2. Recommendations

- 2.1 Members are asked to recommend that Council approves the prudential indicators proposed in this report as part of setting the budget for 2009/10.**

3. Summary

- 3.1 The Local Government Act 2003 replaced the previous system of Local Government Capital Finance with a new one, known as the Prudential System from 1 April 2004.
- 3.2 Under the Prudential System, instead of the historical practice of local authorities only being able to borrow in line with central government prescribed limits, each local authority must decide its own borrowing limits, taking account of its financial situation, medium term plans and in particular affordability.
- 3.3 CIPFA has developed a Prudential Code of Capital Finance in Local Authorities, which specifies indicators the Council must consider in determining how much it will borrow for capital purposes.
- 3.4 The code requires the Council to set a range of indicators for 2009/10. The indicators in respect of investments have been set based on the Guidance on Local Authorities Investments issued by CLG in April 2004.

4. The CIPFA Prudential Code

- 4.1 In September 2003 CIPFA Council approved and subsequently published the final version of the code, and the concluding paragraph of its executive summary records;

*“The Prudential Code supports the systems of capital investment in local authorities. It is integrated within the wider statutory and management processes of local government. Key elements of the system continue to be determined by legislation, in particular the amount required to be charged to taxation by local authorities in respect of capital investment and the amount and method of government support for capital investment. These will be significant decisions when local authorities take decisions on capital investment. **However, the level of capital investment that can be supported will subject to affordability and sustainability and be a matter for local decision.**”*

- 4.2 The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year, and typically over 20 years). This helps ensure stability over the medium term; for example a variable rate loan currently at 4.5% may be less attractive than a fixed rate loan at 4.8% if there is thought to be a reasonable possibility that variable rates will rise above 5.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.
- 4.3 The code also requires authorities with significant investments to set indicators associated with lending money.
- 4.4 Practically the remaining paragraphs of this section consider the indicators and recommends what the indicators should be for 2009/10. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2010/11 and 2011/12. In proposing these indicators a pragmatic approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered.
- 4.5 For each indicator, ***the CIPFA requirements of the code are set out in bold italics.*** The limits proposed by the Corporate Director : Resources for 2009/10 are then set out. An explanation is provided, unless the indicator and limits are completely self explanatory.

4.6 Capital Expenditure and Capital Commitments Prudential Indicators

4.6.1 The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:

Estimate of total capital expenditure to be incurred in years 1, 2 and 3

4.6.2 The budget and capital report to Council for 2009/10 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are therefore;

	Supported Borrowing	Prudential Borrowing	Grant Funded	Capital Receipts	Total
	£m	£m	£m	£m	£m
2009/10	6.846	16.157	16.594	5.201	44.798
2010/11	4.925	15.618	17.786	0.300	38.629
2011/12	4.779	-7.882	14.530	8.700	20.127

It is only the two columns relating to borrowing that impact on prudential indicators.

4.7 Prudential Indicators of Affordability – Ratio Affordability Measure

4.7.1 The local authority will estimate for the forthcoming financial year and the following two financial years the ratio of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of ratio of financing costs to net revenue stream.

4.7.2 In Telford & Wrekin's case this indicator makes more sense if LGR debt paid over to the County Council is included.

Revenue Budget

Year 1(2009/10) 1.50%

Year 2(2010/11) 1.55%

Year 3(2011/12) 1.65%

4.7.3 The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio (equivalent to an increase in capital financing costs over the next 3 years. This broadly matches the expected increase in the capital financing FSS and prudential borrowing).

4.8 Prudential Indicators of Affordability – Incremental Council Tax Affordability Measures

The local authority will

- (i) forecast the total budgetary requirements for the authority based on no changes to the existing capital programme*
- (ii) forecast the total budgetary requirements for the authority with the changes to the capital programme included in the calculation*
- (iii) take the difference between (i) and (ii) and calculate the addition or reduction to Council tax that would result.*

This prudential indicator will be referred to as estimates of the incremental impact of new capital investment decisions on the Council Tax and shall be expressed in the following manner £ xx.xx.

4.8.1 The indicator is calculated by taking the estimates of capital included in the Capital Budget Report which is noted in 5.6.2, assuming it is financed through a mixture of borrowing and use of capital receipts (with interest at 5%, with Minimum Revenue Provision calculated in line with the MRP policy as detailed in the Treasury Strategy Report) and dividing them by the tax base (50,245.0). It also assumes that the only Government Approvals agreed at this stage are those for 2009/10, with those for the latter 2 years being only provisional at this stage. The indicator works on a cumulative basis (i.e. the year 2 indicator includes the full year cost of year 1 expenditure, together with the part year cost of that year's programme), but only takes half a year's interest cost in the year expenditure is incurred. The estimate has been split into 3 parts which are expenditure funded by prudential borrowing, capital receipts and government borrowing allocations. There are no principal repayments in respect of capital receipts and the revenue cost of utilising these government allocations should be funded by Revenue Support Grant although this is impacted on by the RSG damping mechanism which withholds a substantial part of the revenue funding due to the Council to support the cost of these allocations at present.

4.8.2 The estimate of the incremental impact on Council Tax (Band B) of capital decisions proposed over and above capital investment decisions that have already been taken by the Council are as follows;

<u>Year</u>	<u>Prudential Borrowing</u> £	<u>Use of Capital Receipts</u> £	<u>Government Supported Borrowing</u> £	<u>Total</u> £
2009/10	3.56	0.00	0.66	4.22
2010/11	8.83	0.00	2.14	10.97
2011/12	11.91	0.00	3.39	15.30

4.8.3 Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures

This Indicator does not apply to Telford & Wrekin Council.

4.9 Estimates of Capital Financing Requirement

The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:

Estimate of capital financing requirement as at the end of years 1, 2 and 3.

4.9.1 The capital financing requirement is a new concept in the Prudential System, but can simply be understood as the Council's underlying need to borrow money over the long term. The code requires that the figure is calculated gross, to include debt that is paid for by other authorities following LGR, so in Telford & Wrekin's case, these figures have limited meaning, and locally the indicator needs adjusting for LGR debt.

4.9.2 Table A shows the estimated cumulative capital financing requirement at a point in time

	Total CFR
31/3/2009	£133.3m
31/3/2010	£151.2m
31/3/2011	£165.9m
31/3/2012	£156.2m

4.9.3 The movement in the CFR is consistent with other planning assumptions.

4.10 External Debt Prudential Indicators

4.10.1 The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:

Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.

4.10.2 The recommended Authorised Limit for External Debt for:

Year 1 (2009/10) is £300m for borrowing and £6m for other long term liabilities

Year 2 (2010/11) is £320m for borrowing and £7m for other long term liabilities

Year 3 (2011/12) is £320m for borrowing and £8m for other long term liabilities

4.10.3 This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

4.10.4 Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

4.11 **Operational Boundary**

The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

Operational Boundary = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.

4.11.1 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem. It should be noted that although this boundary has been set at £220m for 2008/09, it is estimated that the average external debt and other long term liabilities will be around £186m. Given the likely trend of the capital financing requirement in 5.9.2. a higher operational boundary is appropriate for 2009/10 and 2010/11.

4.11.2 The Recommended Operational boundary for External debt is

Year 1 (2009/10) is £280m for External debt for and £4m for other long term liabilities

Year 2 (2010/11) is £300m for External debt for and £5m for other long term liabilities

Year 3 (2011/12) is £300m for External debt for and £6m for other long term liabilities

4.12 Treasury Management Prudential Indicators

4.12.1 The Council adopted the ***CIPFA Code of Practice for Treasury Management in the Public Services*** at its meeting in February 2002. Treasury Management Practices (TMPs) have been established by the Corporate Director : Resources in line with the advice of Sector Treasury Services, and are kept up to date. ***The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code*** is therefore met.

4.13 Interest Rate Exposure

4.13.1 ***The local authority will set, for the forthcoming year and the following two years, limits to its exposures to the effects of changes in interest rates. These prudential indicators will relate to both fixed interest rates and variable interest rates and will be referred to respectively as the upper limits on fixed and variable interest rate exposures.***

4.13.2 There is no requirement in the code to set lower limits; however, given the risks associated with having excessively high relatively short fixed, or variable rate borrowing, it is suggested that lower limits are set locally for longer maturing fixed rate borrowing.

4.13.3 **Variable rate exposures**
Borrowing that is at variable rates LESS Investments that are variable rate investments

Because a large proportion our investments are at variable rates and exceed in total the level of debt we currently have (and historically a high proportion of that has been at fixed rates) we are unable to set the limit as a percentage and will therefore set it in absolute terms of the net principal sum (which is negative) The limits proposed, together with their make up, are as follows;

	Net Variable Limit
	£m
2009/10	0
2010/11	0
2011/12	0

I.e. total of variable rate borrowing will never exceed total of variable rate investments.

4.13.4 The upper limit replaces the existing (1989 Act) Section 44 limit “the maximum proportion of borrowing which is subject to variable rate interest”. Whilst £0m has been set forward as a limit, in practice it would be unusual for the exposure to exceed -£20m. The actual exposure is negative due to the levels of fixed long term borrowing (more than 1 year), and that our investments are mostly all variable. Limits for years 2 & 3 assume no

substantial change in market conditions. What this indicator does show is that we should invest in more fixed instruments at the appropriate time.

- 4.13.5 Because of our position in having substantial investments it would be helpful to set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. For the purposes of this local indicator supranational bonds are treated as fixed investments as they are accounted for as such. The limit proposed would be as follows;

	Upper Limit
2009/10	80%
2010/11	80%
2011/12	80%

4.13.6 **Fixed Interest Rate Exposure**

The local authority will set, for the forthcoming year and the following two years, both upper and lower limits for its exposure to fixed interest rate risk calculated as follows and each expressed as total borrowing less total investments:

Fixed interest rate exposures

Borrowing that is at fixed rates LESS Investments that are fixed rate investments

Expressed as a percentage or absolute of total borrowing less investments.

- 4.13.7 The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows;

	Upper Limit	Lower Limit
2009/10	£190m	-£10m
2010/11	£200m	-£10m
2011/12	£210m	-£10m

- 4.13.8 As for variable rates it is appropriate to set a local indicator for fixed rate exposure. This is fixed rate investments plus fixed rate borrowing divided by total investments plus total borrowing. The proposed limit is as follows:

	Upper Limit	Lower Limit
2009/10	90%	20%
2010/11	90%	20%
2011/12	90%	20%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate, although in practice this would be unusual. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

4.14 **Prudential limits for the maturity structure of fixed rate borrowing**
The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows

Amount of projected borrowing that is fixed rate maturing in each period
Expressed as a Percentage of
Total projected borrowing that is fixed rate at the start of the period.
where the periods in question are

- ***Under 12 months***
- ***1 year and within 2 years***
- ***2 years and within 5 years***
- ***5 years and within 10 years***
- ***10 years+***

4.14.1 The proposed prudential limits are as follows;

Period (years)	Lower Limit %	Upper Limit %
Under 12 months	0	20
1-2 years	0	25
2-5 years	0	50
5-10 years	0	75
over 10 years	25	100

4.14.2 Whilst these are the proposed limits, as a broad longer term strategy, in any financial year borrowing would normally be managed to end the year with the maturity profile broadly as follows;

Maturity	Broad Indicative Range	Actual % for 31/03/08
Under 12 months	0-10% of all borrowing	3%
1-2 years	0-15%	0%
2-5 years	5-15%	0%
5-10 years	5-20%	0%
Over 10 years	40-100%	97%

There has been a peak in rates in the 1-15 year period over the last few years, and therefore loans in this period have been extensively restructured, so the amounts are currently slightly lower than our broad indicative range. With historically low long term PWLB interest rates during recent years the Council has continued to take advantage of these rates by borrowing longer term.

4.14.3 Under the investment guidance issued by CLG the Council needs to set indicators for **principal sums invested for periods longer than 364 days.** It is recommended that we set the following limit

Maximum principal investment that can be invested for more than 364 days

Financial Year	Upper Limit
2009/10	90%
2010/11	90%
2011/12	90%

5 Contribution to Strategic Aims

A proper treasury management strategy underpins the overall financial management of all the Council's activities.

6. Legal Implications

- 6.1. CIPFA's Prudential Code is regarded as mandatory guidance associated with the new Local Government Act 2003.

7. Financial Implications

- 7.1 The prudential indicators provide a framework in 2009/10 in which the Council conducts its treasury activities, consistent with good treasury risk management.
- 7.2 The code indicates that "in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios." The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.
- 7.3 The code requires the following matters to be taken into account when setting or revising prudential indicators
- (a) option appraisal for all projects, i.e. value for money
 - (b) asset management planning, i.e. stewardship of asset
 - (c) strategic planning for the authority, i.e. service objectives
 - (d) achievability of the forward plan, i.e. its practicality
 - (e) implications for external borrowing, i.e. prudence
 - (f) implications for Council Tax and housing rents, i.e. affordability.

Items (a)-(c) are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Items (d) and (f) in financial terms have been taken account of by the Corporate Director : Resources in presenting the budget and item (e) is inherent to the prudential indicator setting process.

7. Links with Corporate Priorities

The report has financial links with all the council's priorities

9. Opportunities & Risks

The opportunities and risks associated with the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

10. Background Papers

Local Government Act 2003

CIPFA Prudential Code for Capital Finance in Local Authorities

Guidance on Local Authority Investments

BOROUGH TOWNS INITIATIVE £mUpdated proposals February 2009

	08/09	09/10	10/11	11/12	12/13	13/14	TOTAL	
Borough Towns Initiative								
Wellington – Civic/Leisure Site	0.50	2.20	5.50	0.50			8.70	New Library, Registry Office ,office accommodation for Council employees, improvements to changing facilities in leisure centre and improvements to fitness centre, new reception for all services, extensive improvements to public realm. Includes for purchase of Edgbaston House and Demolition costs.
Disposals	<u>(0.95)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(2.70)</u>	<u>(2.15)</u>			Funding: Orleton Park Library Site Registry Office Highfield Ringway 62,Wrekin Rd Station House, Madeley The Mount
Net Funding shortfall	<u>(0.45)</u>	<u>2.20</u>	<u>5.50</u>	<u>(2.20)</u>	<u>(2.15)</u>		<u>(5.80)</u> <u>2.90</u>	TOTAL £5.8m
Wellington Environmental works		0.25					0.25	There could be an 'extracare' proposal which could generate additional receipts but not included at present Environmental works-possible matched funding from AWM through Market Towns Initiative

APPENDIX 3B

	08/09	09/10	10/11	11/12	12/13	13/14	TOTAL	
Dawley/Malinslee								
Acquisition of bungalows plus design and survey fees relating to the planning application	1.45	0.30					1.75	
Property purchase/demolish High Street		0.35	0.05				0.40	
Town Park access MUGAS etc.		1.25	0.75				2.00	
Project Management				0.25			0.25	S 106
		0.15	0.10	0.10	0.10	0.10	0.50	S 106
Bungalow disposal						(0.75)	(0.75)	Net of remediation
Land Disposal				(6.00)		(4.50)	(10.50)	
Less Old Park school	5.40						5.40	Originally planned part of school funding when receipt arriving 2009/10
Net funding	<u>6.85</u>	<u>2.05</u>	<u>0.90</u>	<u>(5.65)</u>	<u>0.10</u>	<u>(4.65)</u>	<u>(0.40)</u>	
Newport	0.20	0.80					1.00	High Street and Canal Basin. Some 106 contribution
Ironbridge	0.25						0.25	Environmental work-possible match funding from AWM
General BTI programme	0.25	0.25	0.25				0.75	Rolling annual programme
Net Funding Requirement	7.10	5.55	6.40	(7.85)	(2.05)	(4.65)	4.50	
Less :Budgeted Funding	3.10	1.20	(2.55)	-	-	-	1.75	
SHORTFALL-annual	4.00	4.35	8.95	(7.85)	(2.05)	(4.65)	2.75	
-cumulative	4.00	8.35	17.30	9.45	7.40	2.75		

– BUDGET CONSULTATION RESPONSES

1. BACKGROUND

The budget strategy set out in this report has been informed by a wide-ranging consultation programme with the local community. This has included:

- Postal surveys of the Community Panel of around 1000 local residents (653 responses) and the Senior Citizens Forum (318 responses)
- An online survey on the Council's Website (7 responses)
- Meetings with external and internal stakeholder groups, including:
 - Parish Council Forum
 - Local Strategic Partnership – Agenda Group
 - Council for Voluntary Service (CVS)
 - Chamber of Commerce (Policy & Representation Board)
 - Children and Young People's Forum
 - Connecting Communities Group
 - Rural Forum
 - Senior Citizens Forum
 - Disabilities Forum
 - Employee Joint Information and Consultation Forum (trade union meeting) - EJICF
 - Corporate Employee Focus Group

Section 2 of this appendix summarises the responses received to date. The budget strategy has also been considered by the Value for Money Scrutiny Group, which comprises members from all political and other groupings. Appendix 6b) sets out the Value for Money Scrutiny Group's formal comments on the budget.

2. SUMMARY OF CONSULTATION RESPONSES

Postal surveys

The postal surveys sought views on the following themes:

- a) Key principles underpinning the budget strategy;
- b) Priority policy objectives i.e. the key areas where additional resources need to be invested;
- c) Investment in Adult and Children's Social Services;
- d) Investments to enhance facilities and infrastructure in the longer-term;
- e) Savings proposals – prioritisation of Council services;
- f) Council Tax;
- g) Concessionary travel.

The same questionnaire was sent to both the Community Panel and the Senior Citizens Forum. Results for the Community Panel (the Panel) are given in detail. Where results for the Senior Citizens Forum differ from those of the Panel, these are highlighted in the relevant section.

a) Budget Principles

There is substantial support amongst the Community Panel for the majority of core principles that we have used to develop our strategy, as shown in Table 1.

Table 1 – Budget Principles

Budget principle	% of Community Panel who strongly agreed or agreed with principle
Spread our resources fairly and openly across the Borough, whilst taking account of the needs of different areas	93%
Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting services from cuts	92%
Maximise external investment e.g. Government grants, to create prosperity and success	91%
Develop investment proposals that are based on and address the community's needs and priorities	87%
Deliver at least £3m efficiencies and savings a year, as far as possible minimising the impact on the quality of services	86%
Use limited amounts of the Council's balances to help minimise Council Tax increases and protect key services	84%
Set aside some money to deal with any unforeseen circumstances caused by the current economic situation	83%
Sell some of the Council's land and property to fund investment priorities (if it is practical and prudent to do so)	57%

The principle with the lowest level of agreement (57%) and highest level of disagreement (25%) is 'sell some of the Council's land and property to fund investment priorities'.

Results are similar for the Senior Citizens Forum, although agreement with most principles appears to be somewhat lower, most notably:

- Develop investment proposals that are based on and address the community's needs and priorities (77% agreed/strongly agreed, 10% lower than the Panel);
- Maximise external investment (83% agreed/strongly agreed, 8% lower than the Panel);
- Deliver at least £3m efficiencies and savings a year (80% agreed/strongly agreed, 6% lower than the Panel);
- Sell some of the Council's land and property (51% agreed/strongly agreed, 6% lower than the Panel).

b) Priority Policy Objectives

The Community Panel and the Senior Citizens Forum were asked about the importance of a number of priority policy objectives. These are the key areas where additional resources need to be invested to deliver better outcomes for the community. They were also asked to identify the three priority policy objectives that

they felt were the most important for the community overall. Results for the Community Panel are shown in Table 2.

Table 2- Priority Policy Objectives

Priority Policy Objective (PPO)	% of Panel who identified PPO as 'Top 3' priority	% of Panel who felt PPO is very/quite important
Protecting and maintaining services for older people, vulnerable adults and children	79%	97%
Tackling crime, anti-social behaviour and alcohol misuse	69%	96%
Delivering high quality education services and facilities	43%	94%
Securing affordable, accessible and sustainable housing	35%	86%
Maintaining, protecting and improving the local environment and our rural areas	22%	90%
Regenerating and improving our Borough Towns and most deprived communities	22%	86%
Promoting growth and prosperity	18%	86%
Enhancing customer services and improving organisational efficiency	7%	78%

Table 2 shows that whilst there is support amongst the Community Panel for all the priority policy objectives, protecting services for **'older people, vulnerable adults and children'** and **'tackling crime, anti-social behaviour and alcohol misuse'** appear to be the highest priorities.

These results are generally consistent with those of the Senior Citizens Forum with a high percentage of respondents (80%+) agreeing that all the priority policy objectives are very/quite important. Senior Citizens Forum respondents appear to place less importance on 'delivering high quality education services and facilities' and 'regenerating and improving our Borough Towns' (89% and 81% very/quite important respectively, both 5% lower than the Community Panel) and more importance on 'enhancing customer services and improving organisational efficiency' (83% very/quite important, 5% higher than the Panel).

The priority policy objectives are ranked in exactly the same order as in Table 2 apart from that the positions of 'delivering high quality education services and facilities' and 'securing affordable, accessible and sustainable housing' are reversed for the Senior Citizens Forum.

c) Investment in Adult and Children's Social Services

Leading on from the questions about priority policy objectives, the Panel and Senior Citizens Forum were specifically asked for their views about the Council's proposal to focus additional revenue spending around **Adult and Children's Social Services**. In line with the findings in section b) above, there is strong support with 83% of Community Panel respondents and 81% of Senior Citizens Forum respondents stating that they strongly supported or supported this proposal.

d) Investments to Enhance Facilities and Infrastructure in the Longer-Term

Looking at the other priority policy objectives, the Community Panel and the Senior Citizens Forum were asked about the degree to which they supported a range of initiatives to enhance facilities and infrastructure in the longer-term. They were also asked to identify which of these initiatives would be their top five priorities for investment.

Results for the Community Panel (see Table 3) show the % of respondents strongly supporting/supporting investments ranging from 52% (Information Communication Technology) to 95% (roads and pavements), with the two highest priorities for investment being **roads and pavements** and **extra care housing**.

Again, results for the Senior Citizens Forum broadly mirror those of the Community Panel with levels of support for initiatives being within +/-5% of those shown in Table 3. The one exception is **repair and maintenance of Council buildings, including improving disabled access to buildings open to the public**, which is supported or strongly supported by 76% of Senior Citizens Forum respondents (13% higher than the Community Panel).

Similarly, the five initiatives that the highest percentage of Senior Citizens Forum respondents identified as a top priority exactly matches those highlighted by the Community Panel (see Table 3). However, the Senior Citizens Forum rank both improving parks and play areas and customer service higher and regeneration of New Town estates lower than the Panel.

e) Savings Proposals – Prioritisation of Council Services

To help prioritise future savings, the Panel and Senior Citizens Forum were asked to consider an extensive list of Council services and to identify the five services that are most important to the community overall and the five services most in need of improvement. The services identified by a relatively high percentage of Community Panel respondents as being both important and most in need of improvement are:

- Prevention of crime and anti-social behaviour;
- Maintenance of roads and pavements;
- Social services for older people;
- Litter picking, street sweeping and fly tip removal.

f) Council Tax

The Panel and Senior Citizens Forum were asked to consider the Council's proposal to bring down the level of Council Tax increase to less than 4% in March 2009 and to less than 3.5% in March 2010. There is strong support for this approach with 86% of the Panel and 85% of the Senior Citizens Forum stating that they strongly support/support bringing the level of Council Tax increase to below 4% in March 2009. There are similar levels of support for an increase of less than 3.5% in March 2010 (85% of Panel strongly support/support, 87% of Senior Citizens Forum strongly support/support).

Community Panel and Senior Citizen Forum members who did not support the proposal (5% of respondents in both cases) were asked to give their reasons for this view. The most common reason given was that the Council Tax increase should be significantly lower than the proposed level, with a number of people stating it should be zero or less than 2% in the current economic climate. Some respondents,

particularly from the Senior Citizens Forum, felt that the Council should actually look to reduce Council Tax, stressing that pensioners will find it particularly difficult to pay. In contrast, a few concerns were also raised about whether reducing the level of Council Tax increase would result in cuts to services.

g) Concessionary Travel

Finally, the Panel and Senior Citizens Forum were asked for their views on an extension of the current **concessionary travel** scheme, involving free bus travel for eligible groups before 9.30am and after 11pm on weekdays. Although only 30% of the Panel think that extending the hours of concessionary travel scheme is either very or quite important for them or their family, almost half of respondents (46%) think it is very/quite important for the community overall. This figure increases to 57% for members of the Senior Citizens Forum.

Online Survey

The online survey linked directly into the Cabinet report, which set out full details of the Council's draft Budget strategy. **However, due to the low number of responses (7 respondents), the following results should be interpreted with great caution.**

The online survey sought views on:

a) Investment Package

5/7 respondents strongly supported or supported the proposed investment package. Comments included:

- Prioritise regeneration of the market towns;
- Invest more in public transport – we need better rail and bus links;
- Invest more in the arts e.g. a museum/art gallery;
- Prioritise regeneration, public transport, further recycling and taking services closer to the public and away from the Town Centre.

b) Savings Package

4/7 respondents strongly supported or supported the proposed savings package. Comments included:

- In times of recession you can't keep spending money on non-essential services e.g. footpaths, cycle ways, additional street lights and translation costs. Get rid of departmental empires;
- There seems to be too much spent on publicity;
- Internal costs need to be addressed without delay e.g. publicity, pension funding and middle management costs.

APPENDIX 6A

Table 3 – Long-term Investments in Facilities and Infrastructure

Priority Policy Objective	Proposed Investment	% of Panel who identified as 'Top 5' priority	% of Panel who strongly supported or supported
Maintaining, protecting and improving the local environment and our rural areas	Roads and pavements – a planned programme of maintenance of the Borough's roads and pavements	70%	95%
Securing affordable, accessible and sustainable housing	Extra Care Housing – providing specialist extra care housing for older people: high quality independent accommodation and communal facilities in a secure environment	69%	92%
Tackling crime, anti-social behaviour and alcohol misuse	Street lighting – replacing and/or providing new street lights, particularly in crime 'hot spots'	58%	91%
Securing affordable, accessible and sustainable housing	Housing supply – supporting the provision of more affordable, decent housing	56%	83%
Delivering high quality education service and facilities	Schools (Campus Telford & Wrekin) – modernising schools and wherever possible, creating new community and sports facilities alongside them	53%	86%
Regenerating and improving our Borough Towns and most deprived communities	Borough Towns Initiative – regenerating the centres of Newport, Wellington, Dawley, Madeley, Oakengates and Ironbridge	47%	85%
Regenerating and improving our Borough Towns and most deprived communities	Parks and play areas – enhancing facilities at both local parks and Telford Town Park	38%	75%
Regenerating and improving our Borough Towns and most deprived communities	New Town Estates – continuing to regenerate the most deprived parts of the Borough, particularly Brookside, Sutton Hill and Woodside	25%	74%
Enhancing customer services and improving organisational efficiency	Customer service – improving access to services, such as developing a one-stop shop and more services available online	14%	63%
Enhancing customer services and improving organisational efficiency	Repair and maintenance of Council buildings – including disabled access to buildings open to the public	13%	63%
Enhancing customer services and improving organisational efficiency	Information Communication Technology (ICT) – providing new ICT systems to improve the quality and efficiency of services	5%	52%

Consultation Meetings

All consultation meetings involved a discussion about the Council's budget position and future spending priorities. In addition, the Children and Young People's Forum were asked to take part in a specific exercise to identify their top 5 long-term investment priorities.

Comments from members of the groups and forums consulted were around three main areas: long-term investment priorities, other investment priorities, including extension of the concessionary travel scheme, and other issues/concerns.

a) Long-term Investment Priorities

The Children and Young People's Forum was asked to consider a number of investments to enhance facilities and infrastructure in the longer-term (similar to those listed in the Community Panel Survey). They were then divided into four groups and asked to identify and explain their top five areas for investment. Whilst there was some consensus between the groups, particularly around support for **Campus Telford & Wrekin** and the inclusion of leisure and community facilities alongside the modernisation of schools, there were also variations between the groups. Interestingly, this group prioritised improving New Town Estates higher and maintenance of roads and footways lower than the Community Panel. A summary of the combined results of all four groups is given in Table 4.

Table 4 – CYP Long-term Investment Priorities

Rank	Investment area	Examples of reasons given
1	Campus Telford & Wrekin	"because it covers everyone and gives people things to do", "schools are very important places for young people, we spend most of our time there"
2=	Improving New Town Estates	"they need a lot of improvement", "it will encourage people to move to Telford", "because so many people live in a small space"
2=	Extra care housing	"care costs a lot and isn't always very good", "the increase in population means we need more care", "because older people deserve respect and facilities"
4	Improving parks and play areas	"more areas for children to go instead of hanging around the streets"
5	More affordable housing	"to help with the credit crunch and first time home buyers", "so more people can come to Telford and afford to buy houses", "stops abandoned houses"
6	Borough Towns Initiative	"the existing towns that made up of Telford should be looked after as well (as the Town Centre)"
7	Repairing and replacing street lighting	"they are pretty bad at the moment", "lots of young people out at night and it increases safety", "makes it more of a community"
8=	Maintenance of roads and pavements	N/A – not in top 5 for any group
8=	Customer service e.g. one-stop shop, more services online	N/A – not in top 5 for any group

APPENDIX 6A

Across the other groups and forums, there was widespread support for extra funding to address the effects of the **credit crunch**, particularly to ensure that more people are able to access **affordable and accessible housing** and to stimulate the **housing market** (Chamber of Commerce Policy & Representation Board, Children and Young People's Forum, Parish Council Forum, Council for Voluntary Services, Local Strategic Partnership Agenda Group).

A number of groups also highlighted the need to continue to **regenerate the Borough** and to support the **local economy**, although some concerns were expressed about the affordability of some of the Council's long-term investment proposals given the current economic climate (Parish Council Forum, EJICF). Comments and issues raised included:

- Concern that some wards and the local centres (specific reference to St Georges and Wrockwardine Wood) don't fit the priorities and don't get any regeneration (Parish Council Forum)
- Concern that people's perceptions are that all the regeneration originally planned will be delivered – this could impact on services for vulnerable people (Parish Council Forum)
- Request for the Council to use some of its capital to involve/work with local businesses to help the local economy to recover (Chamber of Commerce Policy & Representation Board)
- Need for the Council's procurement framework/strategy to look at contracting with local businesses and to be proactive in getting more new/local businesses on the Council's approved supplier list (Chamber of Commerce Policy & Representation Board).

Comments on other issues included:

- Need to ensure that **roads and footways** are repaired, particularly after work on gas, electric or water supplies (Senior Citizens Forum)
- A specific query about whether the new **swimming pool at Abraham Darby School** will be joint use i.e. available to the school and the public (Disabilities Forum)

b) Other Investment Priorities, including Concessionary Travel

Headline messages from all groups and forums included:

- Need to ensure that the budget pressure that the Council has, now in the future, will not impact on the priorities set out in our **Local Area Agreement** as partners e.g. PCT have aligned their resources to these shared/agreed objectives (Local Strategic Partnership Agenda Group)
- Support for more services in **rural areas** (Rural Forum)

In terms of the option of extending the current **concessionary travel** scheme, comments included:

- Support for extra funding for concessionary travel – could this be achieved by diverting funding from schools/education in light of a drop in pupil numbers? (Senior Citizens Forum)
- Suggestion that the concessionary travel scheme be made available from 9am - buses are empty at this time, as children are already in school and most people have travelled to work (Senior Citizens Forum, Council for Voluntary Service)

APPENDIX 6A

- Query about whether the dial-a-ride scheme could be used to extend the concessionary travel scheme (Council for Voluntary Service)
- Concern that concessionary travel could be affected by budget pressures and that the Council, not Arriva, will bear the cost of any extension to the scheme (Parish Council Forum)

c) **Other Issues**

A number of other issues and questions were raised about a range of other budget-related topics, including:

- **Savings/efficiencies:**
 - What is the Council doing to fundamentally restructure/reduce employee numbers to make savings? (Chamber of Commerce Policy & Representation Board)
 - Have you looked at merging or closing services i.e. closing libraries (Council for Voluntary Service)
 - How is the Council managing vacant properties? (Chamber of Commerce Policy & Representation Board)
 - Need for the Council to consider the impact of cutting services on the voluntary sector as they fill the gap in public services. Funding for some services e.g. voluntary sector day care centres, has reduced significantly in recent years (Council for Voluntary Service)
 - Concern about the impact of service reviews on service delivery and staff, including potential job losses (EJICF, Corporate Employee Focus Group)
 - How much Council Tax is outstanding? Need to ensure we are as efficient as possible at collecting it (Parish Council Forum)
 - Could incentives be offered to employees e.g. money being fed back into services, to encourage them to come up with new savings ideas? (Corporate Employee Focus Group)
- **Financial management and funding pressures:**
 - Concern that Government funding will reduce and impact on services (Chamber of Commerce Policy & Representation Board)
 - Concern about the impact of the creation of new academies on funding for Education & Schools (EJICF)
 - Concern about the impact of Single Status on the Council's budget (Corporate Employee Focus Group)
 - Query about whether the Council is prudent in its expenditure/treasury management – e.g. did the Council lose money in the Icelandic banks? (Connecting Communities Group)
 - Query about the volume of reserves held by the Council (Council for Voluntary Service)
- **Other issues:**
 - Pension contributions – a number of queries about pension contributions for both employees (Rural Forum) and members (Senior Citizens Forum)

VALUE FOR MONEY SCRUTINY GROUP
FEEDBACK ON THE CABINET'S SERVICE AND FINANCIAL
PLANNING PROPOSALS FOR 2009/10 – 2011/12.

The Value for Money Scrutiny Group (VfMSG) is a cross party group of six elected members and a co-opted member of the public. The group have met on three occasions to discuss the Cabinet's budget proposals. The group also issued an invitation to the four opposition Group Leaders to present any alternative budget proposals to them. This offer was taken up by the Leader of the Labour Group. However, the Labour Group's proposals were still in the course of being finalised and are not therefore generally commented upon in this report.

Members of the VfMSG would like to extend their thanks to the range of members and officers that assisted them during their consideration of the service and financial planning proposals for 2009/10 – 2011/12.

The Cabinet launched their budget consultation process on 8th December with the release of detailed proposals in respect of the investment package, savings, use of balances and the proposed strategy for council tax increases.

The VfMSG have therefore had a limited period of time to consider the proposals as the Group's response was requested by early February to feed in to the Cabinet's consideration of the responses from its consultation process. The Cabinet's final proposals are due to be discussed at Cabinet on 23rd February with the council tax for 2009/10 being set at Council on 5th March. However, in the limited time available, the group did meet with:-

- The Corporate Finance Manager,
- Cabinet Member: Environment,
- Cabinet Member: Adult & Consumer Care,
- Corporate Director: Environment & Economy,
- Corporate Director: Adult & Consumer Care,
- Head of Finance,
- Leader of the Labour Group
- Finance Manager for Adult & Consumer Care,
- Cabinet Member: Community Services
- Head of Customer Services and Business Transformation

Written answers to a range of questions on further areas raised by members were also provided in order to clarify some of the proposals.

There was general support from the group for the overall service and financial planning strategy put forward by the Cabinet. However, members have a number of comments that they would like the Cabinet to consider prior to finalising their proposals:-

1. The group wish to recommend that £100,000 of the £2m capital funding available for highways works is ring-fenced for the improvement of rights of

APPENDIX 6B

ways and those footpaths that are not currently designated as footpaths on the definitive map. The group would like one of the criteria used in the prioritisation of this funding to be the availability of match funding e.g. from Town or Parish Councils.

2. The group would like to receive a report on how this funding will be allocated, together with an update on progress with work updating the definitive map of rights of way as they have some concern about the level of revenue resource allocated for this work.

3. Members carefully considered the proposed changes in treatment of accounting for capital charges outlined to them by the Head of Finance. They gave a cautious welcome to the proposals and are prepared to endorse them as they will enable capital projects to proceed that would otherwise not be possible. Group members considered that this was important in the current economic conditions. However, they wish to ensure that effective controls are in place to ensure that asset lives used in the calculations are realistic and that a prudent approach, approved by the external auditors, is adopted.

4. The group received an update on the proposals to change the location of the new Advice Centre and are happy to endorse the revised proposals which considerably reduce the establishment charges. However, in order for the benefits of this investment to be maximised the group think that it is important that the Council works effectively with a range of partner organisations and that effective promotion of the Advice Centre together with partner organisation initiatives is undertaken. It was also suggested that at least one member of staff in each library should be trained so that they are able to signpost customers to relevant agencies and sources of advice and assistance.

5. VfMSG members wish to register concerns over the lack of detail on two of the Adult & Consumer Care savings proposals. These are the £120k assumed saving from "service and funding reviews" where because the reviews have not been completed it is difficult to be clear what the service and other impacts will be and the £75k assumed from "general efficiencies" where again there is a lack of detail provided.

6. The group discussed the proposal from the Leader of the Labour Group that "back-office" Council employees do not need to be located in expensive Town Centre accommodation. The group support this proposal in principle and recommend that a thorough review of the options available for accommodating Council staff is undertaken before any final decisions are taken. Members thought that it was important that the Council should have a presence in an accessible Town Centre position for customer facing services and that to maximise efficiency other Council staff currently accommodated in Civic Offices and Darby House could be located in a District centre which would have a significant impact in terms of regenerating the district centre concerned. Clearly this would have a potential impact on the development of Telford Town Centre but the group believe that other parts of the Borough are

APPENDIX 6B

also in need of regeneration and that back-office Council staff do not need to be accommodated in an expensive prime Town Centre location.

7. Some members of the group supported a proposal from the chair who has been involved in a recent scrutiny review of homelessness that a small amount of additional funding, taken from available revenue invest to save monies should be used to increase the homelessness bond scheme to a total of £30k i.e. an increase of around £20k. The objective of the scheme is to guarantee the rent deposit paid by private sector tenants to their landlords with a view to assisting those who cannot raise the funds for a deposit and who are therefore unable to move in to vacant private rented accommodation. This would stimulate the private sector rental market as well as helping people who may otherwise be classed as homeless and funded by the Council.

VALUE FOR MONEY SCRUTINY GROUP
FEEDBACK ON THE CABINET'S REVISED BUDGET
PROPOSALS FOR 2009/10 – 2011/12.

The Value for Money Scrutiny Group (VfMSG) held an additional meeting on 12th February 2009 where the Leader outlined some revised Budget proposals for the period 2009/10 – 2011/12.

Key changes that had not been considered by the VfMSG before this date included:-

- An increase in the general savings package of £800k for 2009/10 funded from a restructuring exercise with the savings target increased to £1m ongoing from 2010/11.
- A reduction in the proposed council tax increase from just below 4% to 2.5%
- The funding of “credit crunch initiatives” totalling £700k during 2008/09-2009/10 from £200k contingencies in 2008/09 and £500k additional use of balances in 2009/10. This includes piloting the extension of the concessionary travel scheme to a 9.00 a.m. start.

Although the VfMSG had not seen the detail behind these proposals, members were generally supportive of the proposed amendments to the budget strategy provided that capacity within the organisation is not reduced to the extent that the delivery of key projects and organisational priorities is jeopardised.

Members did, however, wish to raise two issues as potential concerns:-

1. Whilst the pilot scheme extending the hours of operation of the concessionary travel scheme is welcomed, the costs will only become clear as the pilot progresses and will need to be closely monitored. However, Members considered that once the public had become used to the scheme it would be very difficult to return to the current hours of operation if the pilot did prove more expensive than anticipated.
2. Available balances are projected to total £6.1m (plus a further contingency of £1m funded from treasury management initiatives) at the end of 2008/09. The potential call on balances during 2009/10 now totals ££0.95m for ongoing revenue budget support plus a further £0.80m for one off spending. The 2008/09 strategy also earmarked £1m of the £6.1m available for use as an Invest to Save pot. VFM Scrutiny considered this to be a potentially significant reduction of balances. The revised strategy also now assumes further calls from balances of £0.64m and £0.95m will be made during 2010/11 and 2011/12 leaving only £1.76m projected as available at the end of the

APPENDIX 6B (continued)

three year period on top of the pool of specific balances. Members therefore raised some concerns about the Council's ability to respond to unexpected additional costs, e.g. relating to the implementation of the single status agreement and the continued projected use of balances during 2011/12.

Budget 2009/2010 to 2011/2012 Labour Group Proposals

Labour Group supports in principle the proposed Revenue Budget council tax increase and use of balances and the Capital Plan to continue regeneration and investment in these difficult times. We believe that T&W has a role and responsibility to help get the economy going again. However we would change revenue and capital priorities, we ask for some alternatives to the proposed £3.8million savings and most importantly we would put in place a rigorous monitoring regime to track and report on the capital programme every 3 months.

This "monitoring regime" must show the impact on investments; future interest income; and the movement on the market value of delayed capital receipts assumed to repay the capital funding used in the regeneration and investment plans.

At a strategic level we would propose to move the T&W Civic offices to Dawley to regenerate and bring income to the town.

The Labour Group has therefore decided not to propose a full alternative Budget proposal but, indicate as stated above that we are agreeing in principle to the wider need for more investment in service provision such as, social housing provision and where possible economic regeneration of Telford as a whole.

So, in principle we are broadly supportive of the direction of travel set out in the Administration's Budget proposals that take us to the end of the current three yearly Government CSR which ends in 2011 but we disagree with some of the detail.

We would therefore wish to submit the following items of detail as amendments to the administration's proposals:

Social Housing

One key area of difference to the administration proposals we would increase expenditure in the area of Housing and Homeless, an area highlighted by many in the community and even more necessary in these times. We would strengthen the homeless team by at least 2 and increase "the bond scheme" by at least £100,000; give more support to Stay & Kip; use the Growth Fund money (£3million per year) to increase the provision of social housing and consider mechanisms to purchase houses being sold by the WHT. This strategy would have some impact on funding sources for regeneration. We welcome the £100k 'Pilot' initiative to avoid putting people in bed and breakfast which itself escalates costs which are disproportionate when compared with temporary housing. We would therefore still like to put in the additional sum of £100k shown above using the Growth Fund to finance additional housing for the homeless.

APPENDIX 6C

We would seek to make an amendment for the provision of more social housing as highlighted in the recent 'Housing Summit' held by David Wright MP for Telford.

Perhaps this could be best achieved in a partnership with WHT or another RSL within the Borough using Growth Fund (GF) money of which there is £9m over three years in the proposals. .

We believe that the Growth Fund should not be used in its entirety within the Telford Town Centre development. The residue of £4m of the (£9m GF over 3 years) after spending £5m on the Town Centre project should go to help fund more social housing with registered social landlords.

Town Centre proposed 'Credit Crunch' –Advice One Stop Shop

The Labour Group thinks that the proposed expenditure could be spent differently in order to still provide a borough wide advice service. We welcome the Administration's decision to use Telford Town Centre Library for the one stop advice centre. We would still however, wish to see the service extended by the use of mobile libraries as indicated below.

WHT are going out to the public with one-stop shops in partnership with other agencies why doesn't T&WC link in with this initiative this would give wider access for our residents.

This would also allow people in rural areas to access the service without the prohibitive cost of travelling to the Town Centre.

We could also use our mobile Libraries and / or, the two (little used) Youth Buses which are kitted out for IT that would make them ideal for use as mobile Information outlets?

BSF Funding

It is reported that the Madeley Court buildings are scheduled for demolition in late July this year.

There are consultants presently looking at use of the site after it's been cleared.

We considered questions around -Is this a T&WC or a Madeley Court Trust asset? And if it is T&WC s then the asset realisation could be used for social housing or elsewhere?

We are pleased that the asset realised from Madeley Court will come to the Council and would reiterate that it be used assist the sourcing of social housing.

Savings appendix 4 Cabinet Paper D 8th December 2008

APPENDIX 6C

The Savings Proposals (£3million now increased to £3.8m), we believe several proposals are CUTS or what should be normal practice not efficiency savings.

We would ask officers to seek more savings in the cost of bureaucracy and review the following proposals:-

Re-provision of Children's Home Service (in view of the Baby P case is a wise move?); capitalise R&M is not an efficiency saving it is taking capital resources); Council Tax Surplus and Treasury initiatives are not savings but what should happen normally.

The £250k from the Children and Families Service could be for example re-directed to provide more social housing but we are satisfied that the £250k referred to is being spent appropriately on Children and Family Services. We would suggest that the administration should look at finding additional funding over and above that to ensure that this volatile area is adequately resourced.

Monitoring Capital Projects

We need to have regular monthly or quarterly monitoring reports on all capital projects and immediately prior to any realisation of assets takes place. We believe that this monitoring would best be carried out by the VFM Scrutiny Group which is already well versed in Budget monitoring activities.

To reiterate what we said in the opening comments above-this "monitoring regime" must show the impact on investments; future interest income; and the movement on the market value of delayed capital receipts assumed to repay the capital funding used in the regeneration and investment plans.

Reserves and Balances

We would seek to direct the proposed use of additional balances, in a way that complements and enables us to maximise the numbers of available social housing.

This could be through a direct building initiative or by purchasing suitable unsold new properties that are currently available in the local housing market; this would have the effect of stimulating the local economy by creating more demand and at the same time keep the building trade jobs functioning here in Telford and Wrekin.

We welcome the additional use of balances in the revised Budget figures.

Civic Offices

On the Civic office we propose the sale of the Civic office as already planned, but instead we would build the New Civic offices as part of Dawley regeneration.

This would make Dawley regeneration more assured and bring a substantial new spending into the town with the increased foot-fall in Dawley.

APPENDIX 6C

We can still have a Civic outlet in the new proposed Library in the Town Centre or perhaps a shared outlet with say the PCT in the centre, so that residents can pay council tax or make queries.

Back office activities do not have to be in expensive offices in the Town Centre and there would certainly be considerable savings in placing them in Dawley with the added benefit of freeing up some of the capital receipt to assist regeneration elsewhere.

The Labour Group would still want to seriously look at other options including Dawley for relocation of Offices.

We would still continue to have Darby House as an outlet within the Town Centre and there would still be scope for an executive presence there as well as providing a customer interface availability if required.

There would always be the option to vacate and rent out Darby House completely or partially if the above suggested use is taken up, thereby creating a revenue stream for the Council.

We believe that the re-location of the 'back-office' activities to Dawley and/or other Centres would give more flexibility and better value for money in the use of the capital receipt from the sale of the present Civic Offices.

Indeed it may be that the new offices could be developed on the existing 'New Town House' site area which would then make that a civic quarter including the Courts and the Police at Malinsgate.

Finally we would seek to have those suggestions relevant to next year's budget as amendments to be voted on at the Council Meeting for setting the Council Tax if the Administration does not adopt them . We would also welcome agreement that those proposals around funding of future investment decisions such as the Civic Offices ,will be considered as part of the Investment Strategy review being carried out as part of the 2010/11 budget process starting soon.

Keith Austin
Leader of the Labour Group
13-02-09

ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

Background

Section 25 of the Local Government Act 2003 requires the authority's Chief Financial Officer to comment on the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals in the budget report, so Members have advice available to them when they make their budget decisions.

Further, the CIPFA guidance on Local Authority Reserves and Balances states that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance.

Robustness of Estimates

The proposed budget for 2009/10 and medium term financial plan has been informed by:

1. Council Wide Risk Management

Risk Management is well embedded across the authority and is an important element of the business planning and budget processes at Strategic, Portfolio and Business Unit levels. Risk workshops and training sessions have been held throughout 2008 at all levels of the authority to ensure that each business and portfolio plan clearly identifies the key risks to the achievement of its objectives. This includes training sessions for Cabinet, Members and employees.

The Risk Management Strategy is reviewed annually and was updated in November 2008. The Strategy clearly sets out the approach to Risk Management within the authority and identifies roles and responsibilities for all concerned as well as detailing the methodology to be adopted for identifying, assessing and monitoring of risks.

The Council's strategic risk register has also been regularly reviewed throughout 2008 to ensure that it is up to date and relevant, with risks being added, removed and changed where appropriate in full consultation with Directors and Members. In addition, stringent efforts have been made to identify and manage risks and opportunities attached to the many Projects and Partnerships the authority works with.

In reports to Directors and Cabinet, authors are asked to highlight any associated risks and opportunities and how these will be managed – this ensures that all risks are identified and not just the legal and

financial implications. Pressures and developments identified during the 2009/10 Service & Financial Planning process focus on the major risk areas for the authority as in previous years and the Council's exposure to risk and risk management is integral to the budget setting process.

2. The Monitoring Process

Financial monitoring is carried out on a monthly basis and highlights any significant variances, and therefore areas of risk, both for current and future years, with regular reports being presented to Directors and Cabinet during the year. Performance and risk monitoring are also undertaken regularly to complement the financial monitoring and are formally reported on a quarterly basis to Corporate Directors and Cabinet. This provides further indications of any potential risk areas for the council and action is taken to review any issues identified.

3. The Budget Setting Process

Finance officers meet with budget holders and review all budgets on an annual basis. Budgets are cash limited. Areas of unavoidable growth, pressures and developments have been identified and scrutinised as part of the budget process. These link to both the budget monitoring process, performance monitoring and risk management, discussed above, together with other issues such as meeting new legislative requirements and statutory obligations.

2009/10 Budget Assumptions:

<u>Inflation</u>	
Pay Award	2% for 2009/10, 2010/11 and 2011/12
Employer's Pension Contribution	Increases of 0.9% and 1.0% of the paybill in 2009/10 and 2010/11 respectively taking the total contribution to 16.3% in line with the triennial evaluation of the pension fund
Social Care Purchasing Budgets	Between 4.2 – 5.2% increase for next year
Electricity	A decrease of - 4% in 2009/10; 2% assumption for 2010/11 and 2011/12
Gas	32.8% increase in 2009/10; then 2% increase in 2010/11 and 2011/12
Water	4.4% in 2009/10; then 2% in 2010/11 and 2011/12

Demographic Growth	The service and financial planning strategy includes a priority investment in Adult Social Care arising from demographic growth increasing the demand for care packages.
Interest Rates	Treasury projections assume base rate falling to at least 0.5%. Our investment and borrowing strategies for 2009/10 are set within this context. One of the primary objectives is to reduce the Council's exposure to risk while at the same time maximising returns. The Treasury Management Strategy for 2009/10 is presented to Council alongside the budget reports.
Dedicated Schools Grant (DSG)	The indicative Dedicated Schools Grant announced with the Revenue Support Grant Settlement is £95.80m which will be delegated to schools in line with guidance. DSG is finalised in June.
Estimates on the level and timing of capital receipts	The revenue budget and capital programme includes £22.951m anticipated future capital receipts over the three years commencing 2009/10
Prudential Borrowing / Prudential Indicators	<p>The Council will make use of the ability to borrow outside the main government funded service allocations, abiding by the Prudential Code and ensuring that such borrowing is appropriate and affordable.</p> <p>Prudential Indicators are approved as part of the budget strategy and are monitored and reviewed on a regular basis.</p> <p>The rules around the calculation of the cost of borrowing that must be charged to the revenue account – the minimum revenue provision (MRP) – have changed. The new approach has been prudently applied in setting the 2009/10 budget strategy and has also been agreed with KPMG, the Council's external auditors. The policy in relation to MRP is set out in the Treasury Management Strategy Report.</p>
Single Status	The Single Status process is underway but is not likely to reach a conclusion until after the

	<p>budget is set. Ongoing liabilities will be incurred from 1st April 2007 and provision was made in the 2007/08 accounts after consultation with the external auditors. The 2008/09 accounts will be closed on the same basis. There is a £2.2m central revenue budget provision projected in the medium term strategy for 2009/10 onwards and a further provision of 4% additional costs within Education –LEA and DSO impacts – schools have also been advised to include 4% provision. There is possible exposure to liabilities around back pay but this is difficult to gauge until the process is nearer concluding an overall package. Possible application for a capitalisation direction can also be made for one off costs when there is any information available to support a claim, but the success of this is likely to be limited by the availability of in house balances to fund liabilities.</p>
Demand-Led Pressures	<p>Directors and Senior Management Teams are expected to manage in-year demands within existing budgets, by re-prioritising or implementing action plans to ensure that costs are met from the available funding, including any underspends brought forward from previous years. There is a policy that service overspends can be carried forward to future years, but they must then be addressed as top priority.</p> <p>General reserves may have to be used to address unforeseen additional expenditure that cannot be funded elsewhere. It is assumed that the reserves would then be restored in future years to maintain the minimum level of reserves required.</p>
Efficiency Savings	<p>All Directors have a responsibility to ensure the efficient delivery of services and value for money are achieved. Efficiency savings of £3.006m were identified during the 2009/10 budget process.</p> <p>The Council is also making good progress towards achieving the 3% cash releasing savings required under the Government's Delivering Efficiency Agenda (National Indicator 179) and an estimate of £3m was submitted as the projected NI 179 efficiencies for 2008/09.</p>

	Delivering Value for Money is integral to the Service & Financial Planning Process.										
Financial Risks inherent in any new funding partnerships, major outsourcing deals or major capital developments	There are a number of major capital projects that have been identified which require careful project management and monitoring during 2009/10 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts. These include the Town Centre Redevelopment and Borough Towns Initiative, Telford Sports Learning & Enterprise Village ,Railfreight and Building Schools for the Future.										
The availability of other funds to deal with major contingencies	General reserves may have to be used temporarily and restored if management and policy action is insufficient to deal with a major issue.										
The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc.	<p>The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits. The assumed council tax collection rate for 2009/10 onwards is high at over 99%, but being achieved already for past years. For each 1% not collected the cost is approximately £0.53m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year.</p> <p>Cumulative collection rates for recent years are (as at October 2008)</p> <table> <tr> <td>2003/04</td> <td>99.47%</td> </tr> <tr> <td>2004/05</td> <td>99.43%</td> </tr> <tr> <td>2005/06</td> <td>99.42%</td> </tr> <tr> <td>2006/07</td> <td>99.40%</td> </tr> <tr> <td>2007/08</td> <td>98.83%</td> </tr> </table> <p>Recovery for all years is projected to be well over 99% finally.</p>	2003/04	99.47%	2004/05	99.43%	2005/06	99.42%	2006/07	99.40%	2007/08	98.83%
2003/04	99.47%										
2004/05	99.43%										
2005/06	99.42%										
2006/07	99.40%										
2007/08	98.83%										
The authority's track record in budget and financial management	<p>The Council continues to demonstrate strong financial management with outturn being within +/- 1% of the net budget set:</p> <ul style="list-style-type: none"> • 2003/04 - underspent by £0.884m (0.5% of budget) • 2004/05 –underspent by £1.724m (1.0% of budget) • 2005/06 –underspent by £0.519m (0.28% of budget) • 2006/07 –underspent by £0.479m (0.47% of budget) • 2007/08 – underspent by £0.300m (0.27% of budget) 										

	<p>This demonstrates continued strong financial management, despite considerable pressure on service budgets, notably children's social services.</p>
<p>The strength of the financial information and reporting</p>	<p>Use of Resources forms part of the Audit Commission Comprehensive Performance Assessment (CPA) for Local Authorities and focuses on financial management and its links to the strategic management of the authority. Revised CPA methodology has made it a more challenging test for Local Authorities with more emphasis on value for money and on outcomes for local people. In 2008, the Council scored 3 out of a maximum 4 for Use of Resources.</p> <p>Financial monitoring is provided on a monthly basis and budget and closedown reports are prepared within the statutory deadlines.</p>
<p>Virement and Year End Procedures</p>	<p>The Council has clear rules relating to virement and the carry forward of under/over spends which are set out in the financial regulations.</p> <p>Virement is an important feature of budgetary control. It provides flexibility to adapt expenditure patterns to meet changing needs and objectives, consistent with Council policy.</p> <p>No Head of Service or Business Manager should plan to overspend. All expenditure should be consistent with business plans and the overall approved budget. All underspends or deficits on controllable budgets at year end will be carried forward to the next financial year as first call on the budget for the following year.</p>
<p>The adequacy of the authority's insurance arrangements to cover major unforeseen risks</p>	<p>The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self insure". The Council use the services of an external insurance advisor to provide additional expertise in managing insurance arrangements.</p> <p>The insurance section work closely with the Audit & Risk Manager to identify insurance related risk areas and recommend ways of mitigating future risk.</p>

These assumptions are reviewed on an annual basis.

Reserves & Balances Policy

Introduction

Guidance on local authority reserves and balances is available from the Chartered Institute of Public Finance & Accountancy (CIPFA). This represents good financial management and underpins the framework followed by Telford and Wrekin Council in this policy.

Types of Reserves and Balances

As part of the Service & Financial Planning process, the Council will consider the establishment and maintenance of reserves and balances.

Reserves and balances can be held for a number of purposes. Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flows; a contingency for the impact of unexpected events or emergencies and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the considerations taken into account when setting the medium term financial plan.

When establishing reserves, the Council will ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom (the SORP).

Some of the most commonly established earmarked reserves are:

- Sums set aside for major schemes, such as capital developments
- Insurance reserves – to provide for an element of self-insurance
- Service Balances – to permit year end under spends to be carried forward for future commitments
- School Balances – unspent balances of budgets delegated to individual schools

Level of Reserves and Balances

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future year's revenue budgets. CIPFA guidance does not set a statutory minimum level so it is up to the Council itself, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be. Telford & Wrekin Council will adopt a risk based approach to determine the appropriate level of reserves and balances to sustain and that which can be released to support the medium term financial plans.

Reserves and balances are only maintained in accordance with the risk assessment undertaken and are used in a planned way. Therefore the opportunity cost of maintaining the determined levels is kept to a minimum while interest is earned on the retained amount.

Process

Each reserve and balance will have a clear purpose showing how and when it can be used together with a process for review to ensure continuing relevance and adequacy.

An annual review of reserves and balances will be undertaken as part of the budget process each year and a schedule presenting the estimated opening balances for the forthcoming year, planned additions to/withdrawals from and the estimated closing balances will be presented in the budget report. The schedule will also show the purpose of each reserve and a comment on the appropriateness of the value held.

The key financial risks will also be identified and an assessment of estimated exposure and possible mitigation will be made. This will link to the Council's key strategic risk register. The conclusion of this risk evaluation process will determine the resources available over the medium term to support the Council's budget.

This process will be repeated each year to ensure the ongoing adequacy of the Council's reserves and balances.

Responsibilities and Reporting Mechanism

The Corporate Director: Resources has a duty to local tax payers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and usage of reserves will be formally approved by Council, as part of the budget strategy, informed by the Corporate Director of Resources judgement and expertise.

The budget report to Council will include a statement showing the estimated opening balances for the year ahead (including general fund and earmarked funds), any projected additions to/withdrawals and an estimated end of year balance. This will be accompanied by a statement from the Corporate Director:Resources on the adequacy of the general reserves and provisions for the forthcoming year and the authority's medium term financial strategy. A statement reporting on the annual review of reserves and balances will also be made to Council at the same time.

Legal Framework

This policy is in accordance with the following legislation:

Local Government Finance Act 1992 - The balanced budget requirement
Local Government Act 2003 – The Chief Finance Officer's duty to report on the robustness and adequacy of reserves when the authority is considering its budget requirement

Local Government Act 1972 – the requirement for each authority to make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs

TELFORD & WREKIN

Homelessness Strategy 2009

DRAFT

EXECUTIVE SUMMARY

This is the second five year homelessness strategy for Telford & Wrekin. It continues the commitment of Telford & Wrekin Council and its partners to tackling homelessness and remedying its damaging impact on quality of life by:

- Working together to understand the causes of homelessness locally
- Intervening to prevent homelessness
- Ensuring that adequate accommodation and support services are available
- Listening to homeless people to develop services that better meet their needs
- Sharing and adopting best practice

It builds on the achievements of the Homelessness Strategy 2003-2008, learns from an interim review of that strategy completed in 2007, adapts to the changing national and regional policy context and sets realistic but challenging priorities and plans for the next five years.

In addition, the strategy will be developed during 2009 to address issues resulting from the current economic downturn, including the rise in mortgage arrears and re-possession.

The successes of the 2003-2008 strategy have been widely recognised, and it is important to set the current process within a review of achievements to date. Each section of the strategy identifies the progress made on specific issues, but here we would draw attention to:

- Year on year reductions in homelessness presentations and acceptances since 2004/5
- The establishment of the KIP project for people at risk of rough sleeping and expansion of the STAY project to provide bespoke support services for younger single homeless people
- The development of the substance misuse bond scheme
- The introduction of a mental health and housing liaison officer
- The launch of a small specialist accommodation project for 16/17 year olds, focussing on tenancy sustainment, life skills and access to education, employment and training

The Council are by no means complacent about progress in tackling homelessness and the interim review conducted in 2007 by the Centre for Urban and Regional Studies (CURS) at Birmingham University identified several areas of development which provide the focus for the new strategy:

- to improve opportunities for service users to influence the services they receive
- to improve access to employment and employment training for homeless people
- to properly assess the strategy to ensure that it addresses the needs of our diverse community

The latest national homeless strategy “**Sustainable Communities: settled homes; changing lives**” (ODPM, March 2005) reiterates the need for a holistic, coordinated approach to tackle the wider causes and symptoms of homeless. The strategy has also shifted the focus from rough sleeping and bed and breakfast, to prevention and reduced use of all temporary accommodation. The Government’s target is to halve the number of households in temporary accommodation to 50,500 by 2010. It also commits to tackling wider causes and symptoms, avoiding repeat homelessness and building settled lives.

The Council are keen to ensure that this strategy builds upon the commitments set out in the National Homelessness Strategy and addresses the changing needs of people living in the Borough, and has listened carefully to what our customers and partners have told us throughout the development of the strategy.

Key Aims

- to prevent homelessness in 80% of all cases approaching the Council for assistance by 2011
- to reduce the number of households living in temporary accommodation to no more than 50 at any one time
- to offer improved opportunities and outcomes for customers
- to improve opportunities for service users to influence the services they receive
- to improve access to employment and employment training for homeless people
- to properly assess the strategy to ensure that it addresses the needs of a diverse community

There are a wide range of local strategies and plans that impact on and are influenced by this strategy. These local strategies and plans include:

The Community Strategy 2006-2011

This is the overarching strategy which sets out the long term vision and community ambitions for Telford and Wrekin and our planned actions for working in partnership to meet these

‘A Question of Balance: A Growing, Sustainable Community’ (2002)

This is the overarching strategy for housing across all tenures. It sets out how the Council aims to meet its housing mission of 'access for all to good quality, affordable and healthy housing in order to promote community and individual well-being'. One of the four key aims of the strategy is 'To promote housing choice and to prevent homelessness'.

The Supporting People Strategy 2005-2010

The supporting people programme provides housing related support to homeless households and helps people to live independently and avoid homelessness. Supporting People services provide housing related support for homeless people and those groups at risk of homelessness, and the strategy sets out the priorities for development of services over the five year period

The Children and Young People's Plan 2008-2011

The overarching plan for all agencies working with Children and young people setting out the multi-agency commitment to improving outcomes for every child and young person in the Borough

The Safer Stronger Communities Plan 2008-2011

This is the Borough's strategy for tackling crime, substance misuse and anti-social behaviour issues. The strategy has been developed by the Safer and Stronger Communities Partnership with a commitment to achieving one of the key Community Ambitions for Telford and Wrekin – to have "a community that feels safe and protected".

The Health & Wellbeing Plan 2008-2011

The Local Area Agreement

The LAA provides a performance monitoring framework for the Boroughs priorities. This framework brings together a set of 198 National Indicators (NIs) which are monitored across the country, and each council has identified 3* priorities from the 198 to monitor through the Local Area Agreement. National Indicator 156, which relates to the number of homeless households in temporary accommodation, has been identified as one of the priority indicators for the Borough. The actions and services within the Homelessness Strategy will also contribute to three other Local Area Agreement priorities:

- NI 142 - Number of vulnerable people who are supported to maintain independent living,
- NI 32 - Repeat incidents of domestic violence,
- NI 117 - 16 to 18 year olds who are not in education, training or employment (NEET).

Putting People First

The Putting People First concordat sets the scene for a shared vision and commitment to the transformation of Adult Social Care. Ultimately, every locality should seek to have a single community based support system focussed on the health and wellbeing of the local population, bringing together local Government, primary care, community based health provision, public health, social care and the wider

issues of housing, employment, benefits advice and education and training to achieve a complete package of services and support for our customers.

The Homelessness Strategy has been written to complement these other strategies, and to ensure that the Council are able to provide a complete package of services for people in housing need.

Telford & Wrekin Council has made a commitment to apply an Equalities Impact Assessment (EIA) to the development of its Homelessness Strategy 2009. Ensuring that services are accessible to all was highlighted as an action arising out of the interim review of the first homelessness strategy and, as well as assessing the new strategy to ensure that the actions plan will have a positive impact for all, the strategy has been written primarily for the people who it impacts upon the most –customers.

The strategy has been written in chapters reflecting the range of client groups who may experience homelessness. Throughout the strategy it is clear that demand for and delivery of homelessness services has changed over the last five years, and that housing issues will continue to change. In recognition of this the strategy action plan focuses on what the Council would like to achieve in the first three years of this strategy, after which a review of the action plan and direction of travel will be undertaken to ensure that the strategy's aims and ideas are still relevant to customers.

There are a wide range of organisations across the Borough who work with people in housing need. These partner agencies have been actively involved in the development of this strategy, and will continue to work with the Council to deliver the vision set out in the strategy through their involvement in the Homelessness Strategy Implementation Group.

The development of the Borough's new Homelessness Strategy has been supported by the Centre for Urban and Regional Studies (CURS) at the University of Birmingham, who have worked on housing and homelessness strategies across the region, and Groundswell UK, a leading user involvement organisation working in the field of homelessness.

Most importantly, many service users have been actively involved in the development of this strategy and their contribution has been central to the development of an action plan which truly meets their needs and aspirations.

OVERARCHING ACTIONS

During the development of the new Homelessness Strategy, consultation with partners and service users highlighted four areas of work which were felt to be a priority by all. These actions are aimed at assisting people to gain timely, effective and easy access to services which meet their housing needs.

What needs to be done?	When does it need to be done?		Who will help?	Why does it need to be done?
Review provision of information on services and options for people experiencing homelessness or who have a housing need	Apr 2009	Review current information (website and leaflets) and identify any additional information required	<ul style="list-style-type: none"> • service users 	<ul style="list-style-type: none"> • To ensure that customers have access to accurate and useful information on the services which may be available to them
Review support services for all homeless households both in temporary accommodation and when they move on into permanent accommodation	Apr 2009 Apr 2009	Develop new outcomes based model for support Extend support services into permanent accommodation	<ul style="list-style-type: none"> • Supporting People • Service providers • Service users 	<ul style="list-style-type: none"> • To prevent repeat homelessness • To ensure individually tailored support plans with self checklists • To assist individuals in developing lifeskills • To ensure best use of resources
Consider options to ensure free and easy access to housing and support services for homeless households via e-mail and text services	Apr 2010	Launch text and e-mail service	<ul style="list-style-type: none"> • ICT services 	<ul style="list-style-type: none"> • To ensure that customers are able to access services in a way which is convenient to them
Consider options for the development of a direct access hostel	Apr 2009	Set up steering group to re-evaluate the proposals in the Council's original Places of Change bid	<ul style="list-style-type: none"> • Supporting People • Police • Housing associations • PCT • Service providers • Service users 	<ul style="list-style-type: none"> • To provide a single place where people who have no accommodation can stay as an emergency • To prevent rough sleeping • To provide access to a range of services

Develop local actions to address the consequences of the economic downturn in terms of people's housing needs	2009	Explore local options for i) assisting people who face mortgage arrears and / or re-possession, and ii) for stimulating house buying	<ul style="list-style-type: none"> • Citizen's Advice Bureaux • RSLs • Financial institutions • Developers 	<ul style="list-style-type: none"> • To identify potential assistance for people facing mortgage arrears /re-possession • To explore possible options for helping to stimulate local house buying
---	------	--	--	---

A further, overarching target for the Borough is to significantly reduce the number of households who need to live in temporary accommodation. The negative impact of living in temporary accommodation is widely recognised, with bed and breakfast accommodation being particularly unsuitable for anything other than short periods of time due to emergencies.

Despite a significant reduction in the number of people who become homeless in the Borough, due to the Council's homelessness prevention work, there still remains a high number of people living in temporary accommodation. The Government have set a national target for all Local Authorities to reduce their temporary accommodation use by 50% by the year 2010. For Telford & Wrekin this means reducing our temporary accommodation use to no more than 50 units of accommodation at any one time.

With 112 households living in temporary accommodation in December 2008, this target will be challenging and the Council has developed a detailed **Temporary Accommodation Reduction Plan** to assist in achieving and exceeding this target. Key actions from this plan include:

What needs to be done?	When does it need to be done?	Who will help?	Why does it need to be done?	
Review home visiting policy to ensure visits are carried out for all exclusions	Dec 2008 Quarterly	Agree policy and complete equalities impact assessment Report on number of visits and outcomes	<ul style="list-style-type: none"> • Telford Christian Council • YMCA • Telford & Wrekin Children & Young People services • 	<ul style="list-style-type: none"> • Reduction in homelessness • Reduction in demand for temporary accommodation • Facilitating planned moves
Finalise and agree an integrated pathway through services for young people	Apr 2009	Agree model of services for young people with key partners	<ul style="list-style-type: none"> • Supporting People commissioners • Supporting People service providers • Telford & Wrekin Children & Young People 	<ul style="list-style-type: none"> • Reduction in youth homelessness • Clearly defined multi agency involvement • Improvement in NI's 91 and 156

			services	
Develop scheme for households with former tenant arrears, negotiating supported AST's in the private sector linked to the credit union scheme	Apr 2009 Quarterly	Launch scheme Report on numbers assisted through scheme	<ul style="list-style-type: none"> • Fairshare Credit Union • Private landlords 	<ul style="list-style-type: none"> • Reduction in silt up of TA • Improved tenancy sustainment skills • Increased access to social housing

DRAFT

Review literature and incentives package to support qualifying offer initiative and extend model to encompass prevention work	Dec 2008 Quarterly	Agree model and complete equalities impact assessment Report on numbers assisted through scheme	<ul style="list-style-type: none"> • Housing support services 	<ul style="list-style-type: none"> • Greater take up of Q.O. • Reduction in TA use • Improved relationships with private sector landlords
Relaunch Credit Union scheme to include prevention work and private landlords	Apr 2009 Quarterly	Relaunch scheme Report on numbers assisted through scheme	<ul style="list-style-type: none"> • Fairshare Credit Union • Housing Associations • Private landlords 	<ul style="list-style-type: none"> • Reduction in homeless acceptances • Reduction in number of households being placed into TA
Develop single allocation panel for all young persons accommodation	Apr 2009 Quarterly	Agree procedure and complete equalities impact assessment Report on numbers accommodated through the panel	<ul style="list-style-type: none"> • Supporting People commissioners • Supporting People service providers • Telford & Wrekin Children & Young People services 	<ul style="list-style-type: none"> • Reduction in failed tenancies due to improved consideration of individual needs • Better use of resources

PREVENTING HOMELESSNESS

Since 2002 the Government has placed increasing emphasis on homelessness prevention. This was re-iterated in the latest national homeless strategy “**Sustainable Communities: settled homes; changing lives**” (ODPM, March 2005).

Preventing homelessness is defined by government as ‘activities that enable households to remain in their current home, where appropriate, or that provide options to enable a planned and timely move and help sustain independent living’ (ODPM, 2003).

In 2006 the government published **Homelessness prevention: a guide to good practice (2006)** which sets out how the homelessness prevention agenda can be delivered in practice. In addition, it also published “**Preventing homelessness, a strategy healthcheck**”, which provides a framework for local authorities to assess their own homelessness strategy. Telford & Wrekin has used both documents as part of the baseline assessment for this 2008-13 Strategy.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

In response to the strategy healthcheck, and the interim review of the first homelessness strategy, Telford & Wrekin has developed a number of successful schemes aimed at preventing homelessness from occurring.

The Homelessness Prevention Fund:

The use of a fund set up to assist in preventing homelessness has been key in reducing the number of households who become homeless in the Borough. The fund was launched in 2006, and has assisted 91 households in 2007/08, at an average cost of £426 per household. Prevention fund monies have been used in many different ways to prevent homelessness from occurring, ranging from help to clear rent arrears through to financial assistance to family members to provide accommodation.

Mediation

The family mediation scheme has been developed in partnership with Shropshire Mediation Services to offer a mediation service to young people who have been asked to leave the family home. The scheme aims to rebuild relationships and find solutions which allow the young person to remain in the family home. Of the families who used the service, 8% were able to remain at home for the foreseeable future without any mediation at all, 14% were able to remain at home with further mediation help, 8% were able to remain at home for a temporary period whilst further accommodation options and relationship issues were discussed.

The co-ordinated approach to tackling Domestic Abuse

The Safer & Stronger Communities Partnership has agreed a co-ordinated approach to tackling domestic violence. This co-ordination has involved key agencies working together to deliver a range of interventions which address domestic abuse, including:

- A domestic violence strategy
- Introduction of Sanctuary Scheme offering a range of extra security measures in a victim's house
- Introduction of the Freedom Programme, a twelve week programme designed to increase victims' understanding of the crime and increase their self-confidence and ability to take control of their lives.
- Recruitment of an Independent Domestic Violence Advocate to provide wide ranging support for victims of domestic abuse throughout the court process.
- Introduction of Multi-agency Risk Assessment Conferencing, (MARACs) where managers from all key agencies take part in a joint risk- assessment of victims of domestic abuse with a view to agreeing a package of support to maintain their safety.
- Introduction of the Integrated Domestic Abuse Programme (IDAP), working with perpetrators of domestic violence to help them to stop their violent and abusive behaviour.
- Launch of a Specialist Domestic Violence Court (SDVC) in Telford

The Family Bond Scheme

The Family Bond Scheme was launched in 2002 to help households to find suitable privately rented accommodation. The scheme assists by providing a bond guarantee to the landlord, which allows families to secure accommodation which they may otherwise have been unable to afford due to the large sums of money which are required upfront. The Bond Scheme helped to find permanent accommodation for 98 households in 2007/08.

The Substance Misuse Bond Scheme

The Substance Misuse Bond scheme was set up in partnership with the Safer and Stronger Communities Partnership to assist people who have previous substance misuse or alcohol problems to access housing. The scheme has a dedicated housing officer, working in partnership with substance misuse support workers to ensure that the housing and support needs of service users are met. 20 households were successfully rehoused through the scheme in 2007/08.

WHAT ELSE NEEDS TO BE DONE?

Although the Council has achieved a great deal since the last Homelessness Strategy, it recognises that there is still more that needs to be done to ensure that it can meet its targets to prevent homelessness in at least 80% of all cases who seek help. There are several key areas of concern which are emerging as this strategy is being developed and which may impact significantly upon the levels and causes of homelessness in the Borough over the coming years:

- The potential impact of ongoing changes in the housing market and the impact of higher house prices and higher interest rates
- The potential for an increase in the number of repossession and eviction proceedings due to arrears, which may be caused by the increasing cost of living
- The potential impact of the new Local Housing Allowance regulations on landlords willingness to let to homeless people and on risk of tenants losing accommodation through rent arrears.

WHAT DID SERVICE USERS SAY?

Service users were generally positive about the prevention services which they had experienced, but the key message was one around improved information. Service users felt that a new information and promotion campaign for all preventative services should be launched, to include:

- Materials aimed at customers, with customers being involved to ensure that the design and placement of materials is appropriate
- Information for staff, to ensure that they understand these services and can appropriately refer service users

People generally valued the Bond Scheme, did not mind the payback feature and found the terms of that payback acceptable.

Those people who had been helped in Court by the Housing Options team were happy with the results and the moral support that they received.

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?
Continue to assess the impact of external factors on homelessness presentations, including the credit crunch and mortgage repossessions	Ongoing analysis	<ul style="list-style-type: none"> All agencies in the Borough who are working with vulnerable households 	<ul style="list-style-type: none"> To ensure that we are continuously reviewing and developing services to meet the needs of our customers
Review all current prevention initiatives, including the Homeless Prevention Fund and the Credit Union Scheme	<p>March 2009</p> <p>April 2009 onwards</p>	<p>Complete review and recommendations</p> <p>Implement any changes as recommended</p> <ul style="list-style-type: none"> Financial Inclusion Officer Fairshare Credit Union Housing Associations Private landlords Service users 	<ul style="list-style-type: none"> To reduce the number of people who are unable to find a permanent home because they have outstanding arrears To ensure best use of resources
Expand Adult Placement Scheme to provide emergency accommodation in the homes of volunteers for young people who become homeless	April 2009	<p>develop training programme</p> <p>establish policies</p> <p>develop marketing campaign</p> <p>recruit and train families</p> <p>launch scheme</p>	<ul style="list-style-type: none"> Adult Placement Officer Volunteers <ul style="list-style-type: none"> To make sure that young homeless people do not have to live in bed and breakfast accommodation
Develop an agreement with the Housing Benefits team to use discretionary housing payments to assist people who may otherwise become homeless	<p>March 2009</p> <p>Quarterly</p>	<p>Agreement in place</p> <p>Report on numbers assisted through agreement</p>	<ul style="list-style-type: none"> Housing Benefits Team <ul style="list-style-type: none"> To help more people to find privately rented housing To reduce the number of people who have to live in temporary accommodation because they do not have a permanent home
Develop an agreement with the County Court in Telford to work together to reduce the number of evictions	<p>Oct 2008</p> <p>Quarterly</p>	<p>Agreement in place</p> <p>Report on numbers assisted through agreement</p>	<ul style="list-style-type: none"> Telford County Court Citizens Advice Bureau <ul style="list-style-type: none"> To help more people stay in their own homes by providing advice and support at an early stage To reduce the number of people who have to live in temporary accommodation because they do not have a permanent home

<p>Agree procedures with the local hospitals to ensure that people are not homeless when they are discharged from hospital</p>	<p>Aug 2009</p> <p>Quarterly</p>	<p>agree and implement new/updated procedures</p> <p>Report on numbers assisted through agreement</p>	<ul style="list-style-type: none"> • Princess Royal Hospital • Royal Shrewsbury Hospital • Social services teams 	<ul style="list-style-type: none"> • Gap identified through Homelessness Strategy Healthcheck
<p>Further develop work in schools to raise awareness of homelessness issues as part of an early intervention strategy</p>	<p>Dec 2008</p> <p>Sept 2009</p> <p>Quarterly</p>	<p>Evaluate current scheme and agree options to extend</p> <p>Launch programme in schools</p> <p>Report on number of young people receiving awareness raising package</p>	<ul style="list-style-type: none"> • Schools • Telford Christian Council 	<ul style="list-style-type: none"> • To reduce the number of young people who become homeless, and to improve lifeskills and understanding of the housing allocation process

IMPROVING SERVICES FOR YOUNG PEOPLE

The Government's national homeless strategy **Sustainable Communities: settled homes; changing lives (2005)** recognises that young people can become homeless for a wide range of often complex reasons and therefore a holistic approach is required. It outlines how the government is working with local authorities and voluntary sector partners to:

- prevent vulnerable young people becoming homeless, through early identification and intervention
- support homeless young people and those living in temporary accommodation
- to ensure their housing and wider support needs are met;
- manage the transition of young people between temporary and settled accommodation to ensure continued access to the services they need.

In 2006 the Government announced a package of measures to tackle youth homelessness. These included:

- A commitment to end, by 2010, the use of Bed and Breakfast accommodation by local housing authorities in discharging their homelessness duty to secure suitable accommodation for 16-17 year olds
- Improved access to homelessness mediation across the country (including family mediation for young people).
- The creation of a new national supported lodgings development scheme providing accommodation, advice and mediation services for young people who can no longer stay in their family home

The Government has recently launched a new national youth homelessness scheme, to be delivered by a range of voluntary and community sector agencies and jointly led by Centrepoin and YMCA England. The scheme will develop strategic and operational responses that prevent, and reduce the overall level of, youth homelessness in England. The aim is to ensure that young people's wider support needs are tackled appropriately and supportively.

The New Performance Framework for Local authorities and local authority partnerships includes indicators relating to:

- Numbers of 16 – 18 year olds who are not in education, employment or training – national indicator 117
- Numbers of young offenders with access to suitable accommodation – national indicator 46
- Numbers of care leavers in suitable accommodation – national indicator 147

Within Telford & Wrekin, although there has been a fall in the number of 16-17 year olds accepted as homeless from 55 people in 2004/05 to 39 people in 2007/08, this group has risen as a proportion of all accepted homeless people.

This demand for assistance from young people is reflected in the numbers of referrals made to STAY, a project established by Telford Christian Council to provide services to young single people under 25. STAY received 815 referrals between the period January 2007 and March 2008. Within this 73% of referrals were because friends, relatives and parents were unable to accommodate them.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

In recognition of the increasing number of young people who are becoming homeless in the Borough, the Council has worked closely with partners to develop seven units of supported accommodation for young homeless people, with a dedicated support and resettlement officer. The scheme offers young people the opportunity to develop tenancy sustainment skills and life skills, and will offer education and training opportunities and supported move on accommodation.

The family mediation scheme which is referred to in the chapter on Preventing Homelessness has been established to offer support for young people to rebuild family relationships and has been successful for 50% of the families who have attended.

WHAT ELSE NEEDS TO BE DONE?

With 16/17 year olds and other vulnerable young people accounting for over 50% of all homelessness acceptances in Telford in 2007/08 the Council recognise the need to develop more focussed services in partnership with a range of other agencies. In particular, a number of targets have been set to ensure a partnership approach towards reducing youth homelessness, with demonstrable results:

- Reduce number of acceptances from young people by 75% by 2010
- Eliminate the use of bed and breakfast for all 16/17 year olds by 2010
- Develop a young person's hub with user involvement to provide one stop advice
- Make best use of accommodation and give choice to young people at risk of homelessness

WHAT DID SERVICE USERS SAY?

Several young people reflected that whilst they would like to attend mediation services this had not been possible as their parents had refused to participate.

People were particularly supportive of ideas to explore emergency accommodation in the homes of volunteers for young people, although they did reflect the need to ensure that both the young person and the volunteer were properly assessed and supported.

There was support for the development of a young person's hub, bringing together a range of services under one roof. It was felt that this should be located centrally in a friendly, unthreatening building, with opportunities for young people to be involved in the design and running of the service.

There was also enthusiasm for a mentoring scheme, and young people felt that they could better relate to another young person with similar experiences. Older people who had experienced homelessness were also keen to share their experiences with young people.

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?	
Develop a Young Persons Hub, where young people can go to discuss housing issues and get advice and assistance,	<p>April 2009</p> <p>Sept 2009</p> <p>Quarterly</p>	<p>Agree joint project with Children's Services</p> <p>Agree action plan for redevelopment of existing service</p> <p>Ongoing implementation of agreed action plan</p> <p>Report on number of young people using the service</p>	<ul style="list-style-type: none"> • Telford & Wrekin Children & Young People services • Connexions For Youth • Youth Offending Service • Stay Project • YMCA • Service users • Local authority commissioners 	<ul style="list-style-type: none"> • To provide a single place where young people can go to get advice on their housing issues • To ensure that we are able to provide early intervention services which may prevent future homelessness
Ensure young homeless people are represented at the Youth Forum raise awareness of issues that are affecting young homeless people in the Borough	April 2009	<p>Develop a briefing pack for young people interested in attending the Forum</p>	<ul style="list-style-type: none"> • Young People • Connexions For Youth • Youth Offending Service • Stay Project • YMCA • Telford & Wrekin Children & Young People services • St Basils 	<ul style="list-style-type: none"> • To make sure that all agencies in the Borough are working together to help young homeless people • To give young homeless people the opportunity to discuss their issues with agencies in the Borough
Develop a procedure for all 16 and 17 year olds who are threatened with homelessness to be interviewed jointly by Housing and Children's Services to ensure that all their support needs are identified and agreed	Dec 2008	Agree procedure for joint assessments	<ul style="list-style-type: none"> • Telford & Wrekin Children & Young People services • Stay project • YMCA • Connexions for Youth • Youth Offending Service 	<ul style="list-style-type: none"> • To make sure that young people threatened with homelessness have the support they need to deal with their situation
Set up a multi-agency group to discuss all vacancies which occur in schemes which provide housing to young people, and to agree who the property should be allocated to	<p>Dec 2008</p> <p>Dec 2008</p> <p>Quarterly</p>	<p>Agree accommodation to be included</p> <p>Agree members of the allocation panel</p> <p>Report on all</p>	<ul style="list-style-type: none"> • Supported Housing Providers • Supporting People commissioners • Youth Offending Service • Telford & Wrekin Children & Young People services • Connexions for Youth 	<ul style="list-style-type: none"> • To make sure that young people are put into accommodation which is suitable for their needs • To make sure that young people are able to stay in their tenancy without any problems which could lead to them being evicted

		allocations		
Train one person who has been homeless each year to act as a mentor to young people who are faced with homelessness	April 2009 April 2010 April 2011	Agree training and support package for peer mentor	<ul style="list-style-type: none"> • Connexions For Youth • Service users 	<ul style="list-style-type: none"> • To ensure that young people are able to get advice from somebody who understands their situation
Review services for young people with autistic spectrum disorders	Dec 2008	Review current services	<ul style="list-style-type: none"> • Telford & Wrekin Children & Young People services • Adult Transition Services • 	<ul style="list-style-type: none"> • To ensure that young people with autistic spectrum disorders who experience homelessness are able to access accommodation and support which is suitable for their needs

DRAFT

IMPROVING SERVICES FOR VULNERABLE HOUSEHOLDS

The Housing Act 1996 sets out a number of categories of applicant who have a priority need for accommodation. Perhaps one of the most diverse categories is that around vulnerability, which considers the needs of people who are less able to fend for themselves due to:

- old age
- mental illness
- a learning disability
- a physical disability
- because they have been looked after or fostered as a child
- because they have been members of the country's armed forces
- because they have been in custody or detention
- because they have been subjected to violence or threats of violence
- other special reasons, where the housing difficulties faced by a person are unusually severe

As well as the categories above, households where there is a pregnant woman or dependent children are also considered to be a priority for housing.

Supporting People is now the most significant source of funding for holistic support led approaches to tackle homelessness. The Supporting People Strategy 2005-2010 sets the local strategic framework for housing related support for a number of client groups including homeless families and teenage parents. Key priorities focus on:

- preventing homelessness;
- reducing use of bed and breakfast and temporary accommodation;
- commitment to a flexible approach to provide supported housing and move-on accommodation for young parents and families;
- collaborative approach to provide supported housing for teenage parents;
- extension of floating support to 'sofa surfers';
- and provision of adequate support to families in temporary accommodation

The New Performance Framework for Local authorities and local authority partnerships includes indicators relating to:

- Supporting vulnerable households to achieve and maintain independent living – national indicators 141 and 142
- meeting the accommodation needs of offenders – national indicator 143
- adults with learning disabilities in settled accommodation – national indicator 145

In March 2002, the Government announced a target to end the use of Bed and Breakfast hotels to accommodate homeless families with children, except in an emergency and then for no longer than six weeks. Nationally, this target was met in March 2004, and is being sustained through the Homelessness (Suitability of Accommodation) (England) order 2003, which came into force in April 2004.

Approximately 22% of registered homeless people have reported having a drug and/or alcohol problem. One of the key objectives of the Safer & Stronger Community Strategy 2005-2008 is to help prevent homelessness of people with substance misuse problems. Priority actions include:

- Strengthening links with the Supporting People strategy to ensure those with substance misuse problems are helped to live successfully within the local community.
- Highlighting the accommodation needs of people with substance misuse problems
- Promoting a joined up approach between housing providers and local support services
- Helping to sustain people in drugs treatment services by increasing access to and supporting them to retain their accommodation

People accepted as homeless due to mental health needs accounted for 6.36% of all homeless people in 2007/08. The Supporting People Strategy 2005-2010 priorities for people with mental health needs include:

- cross-tenure floating support;
- specialist training for housing support staff;
- improving access to settled accommodation.

One of the future development needs identified in the Supporting People Strategy 2005-2010 is to develop a model of supported housing and floating support aimed at helping ex-offenders along with access training and employment opportunities.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Council has launched the Home Improvement Agency, aimed at helping homeowners and private tenants to remain safe, secure, comfortable and independent in their own home, and specialising in helping people who are over 60 or disabled.

The Council has introduced a package of support for people who have experienced homelessness to help them to settle in their new home. The number of people who become homeless more than once in the Borough has dropped significantly over the last two years, and this appears to be as a result of the support we are able to provide.

An Offender Resettlement Protocol has been developed, setting out a multi agency commitment to tackling the problems of homelessness, to focus on preventing homelessness for offenders and to ensure appropriate and accessible housing related support for ex offenders.

The Substance Misuse Bond scheme has been set up in partnership with the Safer and Stronger Communities Partnership to assist people who have previous substance misuse or alcohol problems to access housing. The scheme has a dedicated housing officer, working in partnership with substance misuse support workers to ensure that the housing and support needs of service users are met. 20 households were successfully rehoused through the scheme in 2007/08

A Mental Health Liaison Officer role has been developed to ensure that the specific needs of people with mental health issues are addressed when considering their housing needs. This officer plays a key role in liaising with mental health services and housing providers to ensure that people with mental health issues are suitably housed.

The Council has set out proposals for the development of dedicated housing related support services for ethnic minority households who are homeless or at risk of becoming homeless. An unsuccessful application for funding from the Ethnic Minority Innovation Fund sought to create support services to provide a first point of contact for all ethnic minority households with housing issues, and to signpost or fulfil an advocacy and support role as appropriate. The service would also promote access to other key services which would improve health and well being, including community health provision, social care, welfare benefits, education and employment.

WHAT ELSE NEEDS TO BE DONE?

Although services are available to help anyone with a housing issue, it is recognised that the Council needs to develop further specialised services for some vulnerable groups:

- Improve co-ordination of services for older people experiencing homelessness
- Further develop multi-agency services to help people with a learning disability to live in the community
- Ensure that we have service to help vulnerable households who have become homeless through their own actions
- Work in partnership to achieve targets around supporting all vulnerable households to live independently

The Council will also seek to find alternative means of funding proposals to assess the suitability of services for ethnic minority households, and to develop future services to address any unmet need.

WHAT DID SERVICE USERS SAY?

People generally found mental health services to be useful, but were concerned that depression and other mental health problems created barriers to them being able to move into permanent accommodation and to be able to access employment and training.

Vulnerable homeless households experienced a feeling of “being in limbo” while they were in temporary accommodation which made it hard for them to participate in other activities. However, they were particularly positive about the support provided:

“Its basically the fact that we haven’t ended up in a hostel and that we are in a house as a normal family and the children have been able to go to school they took all that into consideration for me”

What needs to be done?	When does it need to be done?		Who will help us?	Why does it need to be done?
Develop a scheme to help people who are considered to be intentionally homeless to find a home	April 2009 Sept 2009 Quarterly	Develop and agree scheme Obtain approval from private landlords and housing associations Report on number of households assisted through scheme	<ul style="list-style-type: none"> • Wrekin Private Landlord Association • Housing Associations • Support providers 	<ul style="list-style-type: none"> • To make sure that all our customers have the opportunity to find a home
Agree procedures for helping and supporting people with mental health issues to find a permanent home	Oct 2008 Nov 2008 Quarterly	Recruit specialist mental health support officer Agree annual targets and action plan Report on number of people supported to move into permanent accommodation	<ul style="list-style-type: none"> • Mental Health Services • Housing Associations 	<ul style="list-style-type: none"> • To reduce the number of people with mental health issues who have to live in temporary accommodation because they do not have a permanent home
Agree procedure for multi-agency Team Around the Household meetings for households who have a range of needs and issues	Oct 2008	Agree procedure with partners	<ul style="list-style-type: none"> • Mental Health Services • Substance Misuse Services • Telford & Wrekin Children & Young Peoples Services • Housing Associations 	<ul style="list-style-type: none"> • To make sure that all support needs are met so that households have a greater chance of successfully sustaining a permanent tenancy
Agree programme of parenting support for young families	Mar 2009 Quarterly	Agree planned programme of support and desired outcomes with partners Report on number of young families successfully moving on into permanent accommodation	<ul style="list-style-type: none"> • Health visitors • Young parents • Support workers • Telford & Wrekin Children & Young Peoples Services 	<ul style="list-style-type: none"> • To make sure that families are able to successfully move on into a permanent homes

Develop services to support people with a learning disability to live in their own homes with support	March 2009	Develop a range of options to offer alternative housing	<ul style="list-style-type: none"> • Primary Care Trust • Adults with Learning Disabilities Team 	<ul style="list-style-type: none"> • To enable people with learning disabilities to live in the community
Identify service gaps for vulnerable households	Sept 2009	Complete analysis of services and identification of areas for development	<ul style="list-style-type: none"> • Local Strategic Partnership Board • Service providers 	<ul style="list-style-type: none"> • To ensure that we have a clear picture of services and are able to develop effective new services to meet the needs of our customers

DRAFT

IMPROVING SERVICES FOR VICTIMS OF DOMESTIC ABUSE

Domestic Abuse is defined as:

“Any incident of threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional) between adults who are or have been intimate partners or family members, regardless of gender or sexuality”

Research shows that 1 in 4 women and 1 in 6 men experience Domestic Abuse at some point in their lives. This means that in Telford, with a population of 83,800 females and 81,700 men, potentially 20,950 women and 15,600 men in the Borough will experience Domestic Abuse at some time in their lives. In Telford & Wrekin Domestic Abuse accounts for 24% of all reported violent crime.

Over 50% of the children who currently have a Child Protection plan have concerns about Domestic Abuse as a contributory factor in the decision to bring the matter to a multi-agency child protection conference.

Domestic abuse continues to be one of the main reasons for homelessness for the period 2004/05 to 2007/08. Although there has been a steady drop in the numbers of applicants made homeless as a result of domestic abuse during this period from 68 households in 2004/05 to 43 in 2007/08, as a proportion of homelessness applications it remains the second highest cause of homelessness behind friends/family exclusions. Domestic violence also accounts for 19% of repeat homelessness applications in 2007/08.

The Telford and Wrekin Domestic Abuse Strategy 2008 – 2011 has three key aims:

- Prevention and early intervention
- Probation and justice
- Support for victims

The strategy has driven forward a co-ordinated multi-agency approach to funding and delivery of services to tackle domestic abuse in the Borough

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Domestic Abuse Strategy's co-ordinated approach to tackling domestic abuse has led to a number of achievements including:

- The appointment of a Domestic Abuse Co-ordinator in the Housing Needs Team
- The delivery of a Sanctuary scheme
- The establishment of Multi-Agency Risk Assessment Conferencing (MARAC).

- The appointment of two Independent Domestic Violence Advocates (IDVAs) to support victims through the criminal justice process
- The accreditation of Telford's Specialist Domestic Violence Court

WHAT ELSE NEEDS TO BE DONE?

The Domestic Abuse Strategy includes a detailed action plan which sets out the following key objectives to deliver on the three aims:

- Map the provision and extent of domestic violence
- Identify children where there is domestic abuse and improve provision and co-ordinated support
- Build a more objective domestic abuse partnership structure and establish agency commitment and representation
- Develop multi-agency training and awareness of domestic abuse
- Establish a process which identifies those most at risk of domestic abuse and responds to their needs swiftly and effectively
- Establish an independent support and advocacy service
- Ensure linkages between child protection processes.

WHAT DID SERVICE USERS SAY?

Service users are keen to see the development of specialist counselling services for children who have experienced domestic abuse.

They are also keen to see the development of a multi-agency rapid response team for dealing with domestic abuse, and suggested a phone line and drop in centre with the emphasis on people being seen rapidly.

Service users would like to see volunteers working across domestic abuse services who had themselves had experience of domestic abuse.

What needs to be done?	When does it need to be done?		Who will help us?	Why does it need to be done?
Assist in meeting the targets set out in the Domestic Abuse Strategy	As set out in the Domestic Abuse Strategy Action Plan		As set out in the Domestic Abuse Strategy Action Plan	<ul style="list-style-type: none"> To assist in delivering the strategy
Agree procedures to deal with joint tenancies where one tenant is committing domestic abuse	Apr 2009 Ongoing every 3 months	Agree procedures with housing associations Monitor number of tenancies affected by domestic abuse	<ul style="list-style-type: none"> Private landlords Housing Associations Court services 	<ul style="list-style-type: none"> To enable victims to remain in their own home if that is their preferred choice
Develop agreements with other Local Authorities to work together to assist victims of domestic abuse to move to safety	Sept 2009 Ongoing every 3 months Sept 2010	Agree procedures with members of sub-regional group Monitor number of referrals into and out of the Borough Assess need to widen out to other authorities	<ul style="list-style-type: none"> Regional Homelessness Implementation Group Other local authorities Housing Associations Voluntary sector 	<ul style="list-style-type: none"> To facilitate out of borough moves when this is required
Develop counselling services for children who have suffered or witnessed domestic abuse	March 2009 Sept 2009	establish the number of children in the Borough affected by domestic abuse make recommendations to the Childrens Trust on options to improve support	<ul style="list-style-type: none"> Telford & Wrekin Children & Young Peoples Services CAMHS Health Services Victim Support 	<p>To reduce the effects of domestic abuse on children</p> <p>To assist in reducing the number of children and young people whose need for a protection plan involves concerns about Domestic Abuse</p>
Develop a multi-agency rapid response service to deal with incidents of domestic abuse	Apr 2009	Establish working group, reporting to the Domestic Abuse Steering Group Agree procedures for responding to incidents of domestic abuse	<ul style="list-style-type: none"> Crime Reduction Disorder Partnership Domestic Abuse Steering Group 	<ul style="list-style-type: none"> High priority for service users and stakeholders To ensure a speedy and co-ordinated response to incidents of domestic abuse

IMPROVING SERVICES FOR PEOPLE WHO ARE AT RISK OF SLEEPING ROUGH

Rough sleeping is the most visible form of homelessness.

2008 marks the tenth anniversary of the Social Exclusion Unit report into rough sleeping, which set out the government's original strategy to reduce rough sleeping by at least two thirds. Nationally the target of a two thirds reduction in rough sleeping was met early in 2001 and this has been sustained - the National 2007 annual estimate of the number of people sleeping out in England on any single night was 498 people; a 73% reduction on the 1998 baseline.

The Government intend to publish an updated rough sleeping strategy later in 2008 which will set out their plans for the next three years. The updated strategy will build upon the approach set out in 1999 and will set out how they can best renew their drive to tackle rough sleeping in today's context, taking account for example of the greater freedoms and flexibilities local government now has and the introduction of the Supporting People programme

It is proposed that the updated strategy will have two main aims:

- To drive rough sleeping down to as close to zero as possible
- To improve opportunities and outcomes for former rough sleepers

In 2007, the government announced a £70 million expansion to the 'Places for change' programme which aims to tackle homelessness through investment in improving hostels and day centres to ensure that they provide, for their residents/ clients, opportunities that will help them move forward into work, independence and settled homes.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

A major landmark since the 2003 strategy has been the establishment of the KIP project by the Salvation Army. Since 2003 KIP has provided information and accommodation services for homeless single people (over 25), a group of people for whom there were previously no dedicated services. Services include

- a drop-in information project with wet room facilities
- access to private rented accommodation to reduce rough sleeping and sofa surfing
- assistance to register and use the Choose Your Home scheme to enable people to access social housing.
- rough sleeper counts and visits to locations where people are sleeping rough.

KIP has undertaken regular counts of people sleeping rough in the Borough, with monthly counts averaging 19 between January and April 2008, rising to 26 in May and then falling back to 0 in July 2008.

Maninplace has been registered as a separate non-profit company to manage KIP's property leasing and management scheme and to access support for the residents. Maninplace will take on the private rented accommodation scheme and seek to provide tailored support to the residents referred through KIP.

WHAT ELSE NEEDS TO BE DONE?

KIP is a voluntary organisation with services provided by 9 volunteers. Although part of the Salvation Army it is dependent on local fundraising. In order to ensure the future expansion and delivery of services for people at risk of sleeping rough we need to:

- Explore options for the development of an information hub
- Explore options for the development of a direct access hostel, building upon the proposals set out in the Council's unsuccessful Places of Change bid.
- Ensure that support is available to help service users to live in the community

WHAT DID OUR SERVICE USERS SAY?

Service users supported proposals for the development of a hub, with one commenting on their vision of a "drop in centre for activities for homeless people"

Whilst there was support for a comprehensive package of training for rough sleepers, basic information about services was the main requirement.

In general it is felt that there are currently not enough services available for single men over the age of 25.

What needs to be done?	When does it need to be done?		Who will help us?	Why does it need to be done?
Develop a Hub, where single people can go to discuss housing issues and get advice and assistance	Apr 2010	Set up steering group to re-evaluate the proposals in the Council's original Places of Change bid	<ul style="list-style-type: none"> • KIP Project • Support workers • Police • Housing associations • PCT • CAB • Service users 	<ul style="list-style-type: none"> • To provide a single place where people who are at risk of or are rough sleeping can go to get advice on their housing issues and support.
Develop a pathway through homelessness services for people at risk of sleeping rough	July 2010	Agree action plan to take forward proposals		<ul style="list-style-type: none"> • To prevent rough sleeping • To provide access to a range of services and facilities
Explore options for support for people at risk of sleeping rough, from homelessness through to living in a permanent home				
Review procedures for ensuring that people are not released from prison with nowhere to live and ensure that a realistic plan is in place for discharge	Apr 2009	Complete review of current procedure	<ul style="list-style-type: none"> • Prison Service • Probation • KIP 	<ul style="list-style-type: none"> • To reduce the number of people released from prison into inappropriate accommodation or are at risk of rough sleeping
Undertake a rough sleeper count every year		Count to be undertaken annually	<ul style="list-style-type: none"> • KIP 	<ul style="list-style-type: none"> • To monitor that the number of people sleeping rough in the Borough is reducing.
Develop agreement between Council and KIP for ongoing contribution to funding	Sept 2009	Finalise service level agreement	<ul style="list-style-type: none"> • KIP 	<ul style="list-style-type: none"> • To ensure that we are contributing to services aimed at reducing rough sleeping

WORKING WITH LOCAL HOUSING ASSOCIATIONS TO PREVENT HOMELESSNESS

'Tackling Homelessness: the Housing Corporation's Strategy' (2006) emphasises that housing associations are key partners in helping to meet Government targets in relation to homelessness, and play a crucial role in preventing and responding to homelessness. It emphasises the need for effective partnership working between local authorities and housing associations. This strategy sets out what the Housing Corporation requires housing associations to do to prevent and tackle homelessness.

Specifically, in relation to preventing homelessness the strategy also identifies a number of other expectations of housing associations including:

- working with local authorities and other agencies to ensure support needs are identified at the outset and tenancy sustainment is maximised
- seeking to address financial exclusion and debt amongst their residents
- ensuring that eviction is only considered as a last resort and have regard to the good practice guide on preventing evictions from rent arrears
- Exchanging information relating to vulnerable people within the Data protection Act 1998.

Since 2004/05 there has been a reduction in the number of overall lettings in the Borough, with only **** socially rented properties being let in 07/08. This drop in lettings represents a substantial reduction in the housing available to both housing register and homeless applicants.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Wrekin Housing Trust, in partnership with the Council, Beth Johnson, Bromford and Bournville Housing Associations, have launched the Choose Your Home scheme for the allocation of social housing in the Borough. The scheme has been developed to deliver a choice based lettings approach in line with the vision set out in **Sustainable Communities: settled homes; changing lives (2005)**

Partner housing associations have developed Homelessness Action Plans, to set out their vision for working with the Council to reduce homelessness and housing need in the Borough.

The Credit Union scheme has been extended to assist households who are at risk of being evicted from a housing association property, working with the landlords to address issues of rent arrears and to prevent homelessness.

WHAT ELSE NEEDS TO BE DONE?

With the current shortage of social housing in the Borough it is important that the Council works closely with our housing association partners to ensure that social housing is being used effectively to meet the needs of our customers. In particular, there is a need to:

- Continue to analyse and use the information from Choose Your Home to inform the type and location of future housing developments
- Develop initiatives which offer people in larger houses incentives and opportunities to move into accommodation which is more suitable for their needs.

WHAT DID OUR SERVICE USERS SAY?

Many service users see social housing as the most secure form of housing, and are willing to wait longer in unsuitable or temporary accommodation in order to access housing association properties.

However while service users understand the aims of creating a sustainable and balanced community, many are frustrated by the restrictions of local lettings plans which are in place for some properties and which may prevent people from moving on from temporary or other unsuitable housing if they do not meet the criteria set out in the plan.

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?	
Agree a procedure for sharing information about our customers across agencies	Apr 2009	Implement agreed procedure	<ul style="list-style-type: none"> Local Strategic Housing Partnership Legal Services 	<ul style="list-style-type: none"> To ensure that we are able to offer accommodation which is suitable for individual needs To speed up the time taken to allocate properties
Undertake a review of the Choose your home scheme to include national best practice, models of communication, bidding support services and provision of a small number of homes to be allocated outside the scheme if required	Apr 2009 July 2009	Start review of scheme Report back on findings of review and agree any required policy changes	<ul style="list-style-type: none"> Wrekin Housing Trust Housing Associations 	<ul style="list-style-type: none"> To ensure the scheme is fair and accessible to all. To provide applicants with easy access and support to enable them to make bids To ensure applicants understand the reasons behind allocation criteria and how they operate and to ensure that allocation criteria are justified. To ensure that we are able to provide accommodation for homeless households in very specific emergency situations
Assist local housing associations to develop, review and fulfil homelessness action plans	Quarterly	Discussion regarding levels of homelessness and updating of action plans to reflect changing priorities	<ul style="list-style-type: none"> Local Strategic Housing partnership Housing Associations 	<ul style="list-style-type: none"> To encourage and support all housing associations to play their part in meeting homelessness need and avoiding unnecessary homelessness through evictions by early interventions.
Develop an agreed package of incentives to assist people to move into a home that is more suitable to their needs	April 2010 Sept 2010	Establish Borough's strategy for tackling under occupation and overcrowding Agree package of incentives to encourage tenants to move into more suitable homes	<ul style="list-style-type: none"> Local Strategic Housing Partnership Housing Associations Wrekin Private Landlords Forum 	<ul style="list-style-type: none"> To encourage and support smaller households who are living in larger properties to move to more suitable accommodation To increase the number of larger properties available to larger households

WORKING WITH PRIVATE LANDLORDS TO PREVENT HOMELESSNESS

In order to provide more settled homes the Government highlights the need to make greater use of private rented properties to provide settled homes. However there is a need to recognise that private rented tenancies can be insecure and short term and that loss of a private tenancy is one of the top three reasons for homelessness. Prevention schemes should include working more closely with private landlords, for example in securing housing benefit payments and ensuring avoidable loss of tenancies does not arise.

There has been a steady decline in homelessness due to loss of private sector tenancy as a proportion of homeless applications for the period 2004/05 to 2007/08, and this can be attributed to the success of homeless prevention work in this area. However, the loss of assured shorthold tenancies remains a significant problem.

With demand for social housing being high, enabling access to privately rented accommodation as an alternative has been a major focus of the Council's homelessness prevention agenda. However in doing so the Council needs to be aware of:

- Changes in the national economy, and in particular with mortgage rates, which may lead to a reduction in privately rented accommodation as landlords find that this is no longer financially viable
- Increased demand for privately rented accommodation which can lead to an increase in rents, making this type of accommodation unaffordable for many households
- Changes to the way in which housing benefit is paid, which may cause landlords to reconsider renting to households on a lower income who require assistance with their rents
- The privately rented sector is not as well regulated as social housing, which can cause concern for potential tenants who are worried about quality of accommodation and security of tenure.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Homelessness Prevention Fund:

The use of a fund set up to assist in preventing homelessness has been key in reducing the number of households who become homeless in the Borough. The fund was launched in 2006, and has assisted 91 households in 2007/08, at an average cost of £426 per household. Prevention fund monies have been used in many different ways to prevent homelessness from occurring, ranging from help to clear rent arrears through to financial assistance to family members to provide accommodation.

The Family Bond Scheme

The Family Bond Scheme was launched in 2002 to help households to find suitable privately rented accommodation. The scheme assists by providing a bond guarantee to the landlord, which allows families to secure accommodation which they may otherwise have been unable to

afford due to the large sums of money which are required upfront. The Bond Scheme helped to find permanent accommodation for 98 households in 2007/08.

The Substance Misuse Bond Scheme

The Substance Misuse Bond scheme was set up in partnership with the Safer and Stronger Communities Partnership to assist people who have previous substance misuse or alcohol problems to access housing. The scheme has a dedicated housing officer, working in partnership with substance misuse support workers to ensure that the housing and support needs of service users are met. 20 households were successfully rehoused through the scheme in 2007/08.

Qualifying Offer Scheme

The qualifying offer scheme has been developed to negotiate longer tenancies for homeless households moving from temporary accommodation in to privately rented accommodation. The scheme was developed to offer faster move on opportunities to households living in temporary accommodation, with the longer tenancies giving people more confidence to move into the private sector. 37 households moved from temporary accommodation into a long term privately rented tenancy in 2007/08.

WHAT ELSE DO NEEDS TO BE DONE?

Although the Council have built up very strong links with private landlords over the last five years, there are several key areas which require further work:

- Tackling overcrowding in the privately rented sector as part of the Council's overall approach to reducing overcrowding
- Addressing concerns over the potential impact of the new Local Housing Allowance
- Increasing confidence in the private sector through landlord accreditation and licensing

WHAT DID SERVICE USERS SAY?

Service users generally feel that private rented accommodation is not so secure enough. The qualifying offer scheme, developed to offer two year tenancies in privately rented accommodation as an alternative housing option, is viewed negatively as people see private accommodation as a second best or even as an option to be taken in desperation.

Service users would like to see an active programme of integration for people in temporary accommodation, such as links made with the local community centre, and that when making placements consideration of children's need for continuity in schooling and proximity to family and friends should be taken into consideration.

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?
Develop agreement for private landlords to advertise their properties through the Choose Your Home scheme		N.B. Di North states this is already done thru Open Door – is this still an action? Should this be around T&W assisting accredited landlords to advertise directly thru CYH/Open Door without having to agree to Open Door managing the property?	<ul style="list-style-type: none"> • WHT • Wrekin Private Landlord Association • All Private landlords
Ensure that private landlords are represented at Homelessness Strategy meetings and identify a private landlord champion	Quarterly	Invite landlord representative to quarterly meetings	<ul style="list-style-type: none"> • Wrekin Private Landlord Association
Review the Accredited Letting Agent Scheme	Apr 2011	Update and relaunch Scheme	<ul style="list-style-type: none"> • Wrekin Private Landlord Association • All private sector landlords
Expand on work currently undertaken with private landlords to develop more flatshares	Sept 2009 Dec 2009	Agree requirements of flatshare properties Agree marketing	<ul style="list-style-type: none"> • Wrekin Private Landlord Association • All private sector landlords • Telford & Wrekin Housing Quality & Renewal Team
Develop a set of minimum standards for accreditation of private sector properties, to include access to repairs services equivalent to those provided in socially rented accommodation	Sept 2009	Agree and launch accreditation standards	<ul style="list-style-type: none"> • Wrekin Private Landlord Association • All private sector landlords • Telford & Wrekin Housing Quality & Renewal Team
Ensure that move to Local	Apr 2009	Review trends in	<ul style="list-style-type: none"> • Housing Benefits

<p>Housing Allowances does not impact adversely on homelessness</p>		<p>private sector renting following first year of Local Housing Allowance</p>	<ul style="list-style-type: none"> • Housing Needs • Housing associations and other landlords • CAB and other agencies working with homeless service users • Supporting People 	<p>properties to vulnerable households and households on lower incomes</p>
---	--	---	--	--

DRAFT

DEVELOPING LONGER TERM HOUSING SOLUTIONS

The Green Paper **Homes for the Future: more affordable, more sustainable (2007)** sets out the government's vision that:

'everyone should have access to a decent home at a price they can afford, in a place where they want to live and work.'

A key plank of Government policy is to provide more settled homes through improving housing supply. The Green Paper outlines that whilst housing supply has increased substantially in the last few years it is still not keeping up with the rising demand from our ageing, growing population. A new national housing target for 2016 of 240,000 additional homes a year has been set to meet growing demand and address affordability issues.

Within the WM Region, seven Growth Points have been announced which together, are expected to deliver 82,800 homes by 2016. This includes Telford within the Birmingham, Coventry and Black Country City Region. The West Midlands Regional Homelessness Strategy (2005) identifies that one of the three key factors in family homelessness is the lack of affordable housing options. One of the core aims of the West Midlands Regional Housing Strategy (2005) is to achieve social and other forms of affordable housing.

The New Performance Framework for Local authorities and local authority partnerships includes indicators relation to: Net additional homes provided (NI 154) and the number of affordable homes delivered (NI 155) and the Supporting People Strategy acknowledges the need to increase the supply of and improve access to settled accommodation for a range of vulnerable client groups including homeless households.

A key strand in providing more settled homes is to make the best use of existing housing stock. The Housing Corporation in its homelessness strategy outlines that it will encourage housing associations to make best use of its existing stock through, for example, tackling overcrowding and reducing under-occupation, exploring the scope to convert temporary tenancies into settled homes, and bringing empty properties back into use.

In 2007 the Government launched its Overcrowding Action Plan which outlines progress so far in tackling overcrowding and actions that will need to be taken.

The government has also emphasised the importance of developing 'Move on Plan Protocols' which will provide local authorities with a better understanding of move on need and allow them to overcome a range of barriers through formal partnership with the voluntary sector and the development of a jointly owned, solution focussed action plan with associated targets for increasing move on..

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Borough has seen a range of new developments over the last five years, including affordable, sustainable and mixed tenure homes at

- Lightmoor
- Millennium Community (East Ketley)
- Lawley
- Newport
- Beverly
- Telford Town Centre

The Council have developed a strategy to reduce the number of properties which stand empty in the Borough **check figures with Chris**

The Council, in partnership with English Partnerships, established the Integrated Housing Project in January 2008 to deliver sustainable housing growth, address issues of affordability and regenerate existing housing areas, and a long term action plan has been developed to deliver housing growth targets.

WHAT ELSE NEEDS TO BE DONE?

A period of significant housing growth has been planned for, with the aims of developing 13,000 new homes by 2016 and a total of 26,500 new homes in the Borough by 2026.

The recently announced National Affordable Housing Programme for 2008-11 has seen the largest ever allocation of Housing Corporation money to enable the development of new homes in the Borough. The Council has helped to attract almost £12.8 million of external funding to support the development of around 474 affordable homes in the period 2008-13 by housing association partners.

Although a further £2.1 million investment has already been secured for 2011, the impact of the current economic slowdown is creating increasingly difficult housing market conditions which will continue to be monitored. The latest Strategic Housing Market Assessment for Telford & Wrekin (2007) estimates an annual affordable housing annual shortfall of 745 units of affordable housing (made up of 405 units of social rented housing and 340 intermediate housing)

Overcrowding has been recognized as a national issue, and the Council and it's partners need to develop effective strategies to make the best use of the Borough's housing stock to prevent overcrowding leading to homelessness.

WHAT DID SERVICE USERS SAY?

Service users expressed an interest in being involved at the design stage of new houses, with a view to feeding in to the final layout and "feel" of new homes.

What needs to be done?	When does it need to be done?		Who will help us?	Why does it need to be done?
Use findings from the Government's Overcrowding Self Assessment Toolkit to develop an overcrowding strategy	Apr 2009	Finalise draft strategy and action plan for agreement	<ul style="list-style-type: none"> • Strategic Housing Partnership • Telford & Wrekin Housing Quality & renewal Team • Telford & Wrekin Housing Strategy & Development Team • Housing Associations 	<ul style="list-style-type: none"> • to have an accurate picture of the number of households living in overcrowded accommodation • to have an accurate picture of what accommodation we need to be developing in the Borough
Pilot options for assisting households to extend their current home to address any overcrowding issues	Apr 2009	Complete and review pilot with housing associations	<ul style="list-style-type: none"> • Housing Associations • Housing Quality & Renewal Team 	<ul style="list-style-type: none"> • To find effective alternative ways of tackling overcrowding
Develop Foyer accommodation for young people	Apr 2011	Complete scheme construction	<ul style="list-style-type: none"> • Telford & Wrekin Housing Strategy & Development Team • Beth Johnson Housing Association • Service providers • Commissioners 	<ul style="list-style-type: none"> • To provide specialist accommodation with direct links to employment and training opportunities
Review options for provision of move on accommodation, using the MOPP model developed by Homeless Link	Apr 2009 Jul 2009 Ongoing every 3 months	<p>Complete audit of move on using MOPP toolkit</p> <p>Develop and agree action plan for increasing move on opportunities</p> <p>Report on number of people moving on from supported housing services</p>	<ul style="list-style-type: none"> • Service providers • Housing Strategy, Development & Supporting People Manager 	<ul style="list-style-type: none"> • To accurately identify the barriers which are preventing people from moving on from supported accommodation • To reduce the demand for temporary accommodation caused due to supported housing being blocked by people unable to move on into permanent accommodation

IMPROVING LIFE OPPORTUNITIES FOR CUSTOMERS

The Government's five year strategy to reduce homelessness, "Sustainable Communities: Settled Homes; Changing Lives" (2005) , emphasises the need for a holistic, integrated and co-ordinated approach to tackle the wider causes and symptoms of homelessness, and looks beyond the provision of housing to the wider range of services and support which are required by individuals. There is recognition that people who are homeless or in temporary accommodation are more likely to suffer from poor physical, mental and emotional health than the rest of the population, which can be a contributory factor and a cause of homelessness. It also acknowledges that in order to tackle homelessness effectively a wide range of agencies need to be involved.

Work is a key route out of homelessness. Gaining skills or accessing training leading to sustainable employment can help to prevent homelessness. Yet being homeless is in itself a barrier to work, and people who are homeless or living in temporary accommodation often face other issues or have additional needs which combine to act as multiple barriers and mean they are much less likely to enter work than the general population.

Tackling the 'no job-no money-no home' vicious circle is a less well developed aspect of homelessness prevention and may account for the limited impact of housing based solutions in some cases. Meetings with potential partners in the employment and skills training area have identified the scope to strengthen the links between homelessness services and opportunities to access employment.

Poor health is also often associated with homelessness, and can impact significantly on people's abilities to successfully maintain a tenancy. As well as dealing with health problems, homeless households are often less able to pay attention to their wider health needs, such as exercise and healthy eating, as these seem less important than dealing with their immediate housing needs.

Households experiencing homelessness are often not able to access a wide range of leisure activities, with the main barriers being adequate childcare and transport.

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

The Council has developed the STARS scheme, which provides accommodation for young homeless people linked to education, employment and lifeskills training. The scheme works to address the wider needs of residents to prepare them to move on successfully into permanent accommodation.

The importance of expanding employment and training opportunities to homeless people is recognised, and the Council have agreed to work in partnership with other Councils in the West Midlands region to develop new initiatives to increase these opportunities.

The development of outcomes-based individual support plans has ensured that 98% of households living in temporary accommodation are registered with a GP.

Households in temporary accommodation are able to access a range of health initiatives, including programmes on healthy eating and cooking on a budget.

WHAT ELSE NEEDS TO BE DONE?

Improving opportunities for homeless households is key in ensuring that they are able to play an active role in the community in which they live:

- Build upon the STARS model to offer training and employment opportunities to all homeless people
- Expand the health initiatives to all homeless people
- Increase leisure opportunities to households in temporary accommodation
- Develop opportunities for service users to work with us to provide support and mentoring

The Putting People First concordat sets the scene for a shared vision and commitment to the transformation of Adult Social Care. Ultimately, every locality should seek to have a single community based support system focussed on the health and wellbeing of the local population, bringing together local Government, primary care, community based health provision, public health, social care and the wider issues of housing, employment, benefits advice and education and training to achieve a complete package of services and support for our customers.

The development of services to meet the vision set out in Putting People First locally will offer many opportunities to improve outcomes for people in housing need through the delivery of multi-agency solutions delivered through a single system which takes into account a range of needs, and housing services in the Borough will need to work proactively to ensure that the needs of our customers are accounted for in the development of this vision.

WHAT DID SERVICE USERS SAY?

Homeless households in temporary accommodation felt unable to access work and training because of a number of barriers. The costs and availability of child care and transport was a key issue.

Feeling unsettled and unable to commit to anything also prevented people from seeking to take advantage of any opportunities available to them:

“I’d rather get my feet on the ground, resettled and then get a job”

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?
Extend programme of health initiatives for homeless households	Apr 2009 Quarterly	Agree rolling programme of initiatives Report on number homeless households accessing initiatives	<ul style="list-style-type: none"> • CHEC • Health professionals <ul style="list-style-type: none"> • To improve health and reduce health inequalities • To assist in delivering the Health and Well-being Strategy
Employ a financial inclusion officer to advise and support homeless people and to signpost people to appropriate specialist services	Apr 2009 Jul 2009 Quarterly	Identify funding opportunities Employ officer Report on outcomes	<ul style="list-style-type: none"> • CAB • Support workers • Service users • Schools <ul style="list-style-type: none"> • To ensure that customers have access to timely and accurate financial advice • To ensure that customers are able to take advantage of schemes to assist them in rehousing e.g. credit union scheme • To make best use of prevention fund resources
Develop an energy advice package for homeless people moving into a permanent home to include information on finding the cheapest supplier and method of payment	Apr 2009	Develop procedure for referral to Health Through warmth project	<ul style="list-style-type: none"> • Support workers • Affordable Warmth Officer <ul style="list-style-type: none"> • To reduce fuel poverty • To improve awareness energy efficiency and affordable warmth initiatives
Develop a programme of education, training and employment opportunities for all homeless households with transport and childcare facilities	Apr 2009 Quarterly	Extend STARS training and lifeskills programme to all homeless households Report on number of homeless households accessing training opportunities	<ul style="list-style-type: none"> • TCAT • Voluntary sector • Existing Community training programmes • Supporting People • Housing Associations • Connexions • Schools • Youth service • Service users <ul style="list-style-type: none"> • To provide wider opportunities for homeless people to access education, training and employment in their areas of interest
Develop a concessionary travel and leisure scheme for households in temporary accommodation	Dec 2009	Agree criteria for accessing concessionary travel and leisure	<ul style="list-style-type: none"> • Arriva • Travelink • Leisure services <ul style="list-style-type: none"> • to assist people who are living in temporary accommodation to access training and leisure opportunities

Employ more people who have experience of homelessness as volunteers and staff in housing services	Mar 2009	Develop links to create work placements for homeless/potentially homeless people with local authority employers.	<ul style="list-style-type: none"> • service providers • Commissioners • Human Resources 	<ul style="list-style-type: none"> • Improve training and employment opportunities for service users. • To address an issue raised by service users and to develop skills
--	----------	--	---	---

DRAFT

LISTENING TO WHAT CUSTOMERS WANT

Developing effective and empowering service user involvement is a key part of many government initiatives.

In the interim review of the Homelessness Strategy 2003-08 focus groups with service users identified a series of recommendations in relation to the allocation and management of temporary accommodation. These focus groups also indicated that service users would be keen to be involved in development of the service if they can be confident that their views will be heard and acted upon.

Groundswell UK - www.groundswell.org.uk - have well established peer training and support programmes to enable homeless people to set up and run their own projects, to increase homeless peoples' influence in policy and decisions making, to increase meaningful involvement in the services they use and ensure that homeless peoples' voices are heard in policy and service planning.

In the development of this strategy the Council commissioned Groundswell UK to secure service user engagement in the strategy process and to make recommendations for longer term user involvement in developing homelessness services in the Borough. The Centre for Urban and Regional Studies has worked with Groundswell UK before in developing the East Midlands Regional Homelessness Strategy where a successful model of reality checking the strategy with user groups, separate publication of a Groundswell research report and integration of recommendations from user research into the main strategy document was developed

WHAT HAS BEEN ACHIEVED SINCE THE 2003 STRATEGY?

Key outcomes already in place as a result of the original focus groups are:

- Support is offered to those in B&B through weekly visits from support workers, Support Plans are followed through when the temporary accommodation changes, with future visits dependent on individual need.
- Tenancy management officers feedback information at house meetings and ensure that if repairs or other issues are raised by residents, their receipt is acknowledged and details of actions to be taken will be provided in writing.
- Tenancy Management officers produce a sign up pack explaining the availability of temporary accommodation and how it is allocated and with information on choice based lettings.
- 2 'Vulnerable Applicants Support Workers' have been appointed to link up with people in temporary accommodation to ensure that they make best use of the choice based lettings scheme.
- Literature has been produced detailing clearly the different contact details and job roles of case workers, tenancy management officers and support workers.

WHAT ELSE NEEDS TO BE DONE?

Groundswell made a number of recommendations to support client involvement;

- Facilitate one to one support from support workers together with regular focus groups to provide the basis of engagement with service users.
- Extend opportunities for involvement to homeless users receiving services from KIP and STAY and others who are homeless but not in receipt of council services.
- Establish a properly resourced User Forum
- Develop a range of mentoring opportunities, and other employment opportunities, including ex-homeless people talking to young people about their experiences.
- Client should be assured of there not being comeback on them if they give their views or get involved. Robust mechanisms should be developed to protect clients from comebacks including appropriate grievance procedures.
- Residents (service users) meetings should be encouraged, and supported where possible in, all provisions for people experiencing homelessness.

WHAT DID SERVICE USERS SAY?

The comments and suggestions made by service users have been instrumental in the development of this strategy, and have been included throughout the strategy document. Full details of the service user involvement work undertaken during the development of the strategy can be found in the Groundswell UK report – [Borough of Telford & Wrekin Homelessness Strategy 2008-2013 Client Consultation Report](#)

As well as the interviews and focus groups which Groundswell UK facilitated with service users, the Council held a series of multi-agency workshops to discuss and develop the action plan for the new strategy, and were particularly pleased with the number of service users who actively participated in these workshops and their subsequent feedback:

“I believe that this was a positive way to talk about your problems and issues”

“I enjoyed this event because I have found out a lot about being homeless”

“Was very interesting and felt I could speak my mind”.

CONTRIBUTING TO TACKLING HOMELESSNESS ACROSS THE WEST MIDLANDS

The West Midlands Regional Homelessness Strategy (2005) is designed to help reduce homelessness in a number of ways; in particular by influencing policy and investment in housing at a regional and sub-regional level and by encouraging more effective joint interventions across the region. A Regional Homelessness Strategy Implementation Group (RHIG) has been established to take forward the implementation of the strategy. This group has cross sector/boundary representation including lead officers from each of the Housing Market Areas, Government Office for the West Midlands, Business in the Community, Job Centre Plus, West Midlands Voluntary Sector Housing Network, National Housing Federation, Housing Corporation and Supporting People regional leads.

One of the key tasks of the RHIG is to develop sub-regional action plans to promote a collaborative approach to tackling and preventing homelessness across the housing market areas in the region. Telford & Wrekin are part of the C3 Central Housing Market Area which also includes Cannock Chase, Dudley, Sandwell, South Staffordshire, Walsall and Wolverhampton councils.

Five priority actions have been identified in the sub-regional action plan for the C3 Housing Market area:

- Carry out a sub-regional presenter survey to collate information from a range of partner agencies concerning homeless people who have approached them for assistance
- Develop sub-regional approaches to maximise sustainable use of the private sector accommodation
- Commission sub-regional approach to service user involvement, including development of peer researchers
- Develop links with agencies to ensure that homeless and potentially homeless people are able to access bespoke training and personal support to enter sustainable employment and to progress in the workplace
- Develop links with the business community to promote work placements for homeless/potentially homeless people

The West Midlands Homeless Strategy is currently being refreshed to reflect the changing priorities nationally, regionally and locally.

What needs to be done?	When does it need to be done?	Who will help us?	Why does it need to be done?
Represent the Borough on the Regional Homelessness Strategy Group and share the information from that group with local partners	On-going		<ul style="list-style-type: none"> • To inform and influence the implementation of the regional Homeless strategy, sub-regional action plans and service delivery within the region. • To keep local partners informed and feedback their views
Successfully deliver the five actions set out in the sub-regional homelessness action plan, in partnership with the following Local Authorities:	Targets outlined in sub-regional plan to be met by April 2009	<ul style="list-style-type: none"> • C3 Central housing Market area Local Authorities: 	<ul style="list-style-type: none"> • To deliver the Regional Homelessness Strategy
Act as Regional Homelessness Champions to assist other Authorities in the region to tackle homelessness	On-going		<ul style="list-style-type: none"> • To share good practice

DRAFT

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2009

TELFORD AND WREKIN HOMELESSNESS STRATEGY

REPORT OF CORPORATE DIRECTOR FOR ADULT & CONSUMER CARE

1.0 PURPOSE

The purpose of this report is to seek formal adoption and endorsement of the Borough's new Homelessness Strategy by Cabinet

2.0 RECOMMENDATIONS

- 2.1 That Cabinet formally adopt the Homelessness Strategy 2008-2013;**
- 2.2 That Cabinet endorses and supports the vision and principles of the Strategy;**
- 2.3 That Cabinet approve the funding of £50k from the Corporate Contingency for use in the pilot scheme set out in paragraph 5.5.5 and in the financial comment.**

3.0 SUMMARY

- 3.1 This report details the requirement for all local authorities to produce a strategy for tackling homelessness, and sets out the approach taken to develop a comprehensive multi-agency strategy which seeks to meet the needs and aspirations of households in the Borough.**

4.0 PREVIOUS MINUTES

- 4.1 Not applicable**

5.0 INFORMATION

5.1 Background

- 5.1.1 The Homelessness Act 2002 placed a duty upon all local authorities to develop strategies for tackling homelessness, with a requirement that the first homelessness strategy be published by 31st July 2003.**
- 5.1.2 Whilst the Act places a further requirement on local authorities to publish a new homelessness strategy within a five year period, Telford & Wrekin is exempt from this requirement as it is a 4 star authority.**

5.1.3 However there have been significant changes both in national policy and direction, and in local need and demand for services, and accordingly a new strategy for the Borough has been developed to ensure that we continue to focus on delivering efficient and effective services for people who are in housing need.

5.2 Methodology

5.2.1 The Centre for Urban and Regional Studies (CURS) at Birmingham University completed an interim review of the Borough's first homelessness strategy in April 2007. The review highlighted three main areas where the strategy had not made as much of an impact, and these areas have been incorporated as key actions in the new strategy:

- to improve opportunities for service users to influence the services they receive
- to improve access to employment and employment training for homeless people
- to properly assess the strategy to ensure that it addresses the needs of our diverse community

5.2.2 CURS were commissioned to help to develop the new strategy and upon their recommendation Groundswell UK, a national organisation leading in the field of user involvement with homeless households, were also commissioned to involve our service users in the development of the strategy

5.2.3 The strategy has been developed through an initial workshop with stakeholders and partners to identify new actions required to build on existing achievements and to address any emerging gaps in service

5.2.4 The strategy was then tested with service users through focus groups and individual interviews involving 70 service users undertaken by peer researchers facilitated by Groundswell UK, exploring some of the actions that had been identified at the agency workshop.

5.2.5 A second workshop was held to enable joint work by local agencies and service users to further refine action plans with direct input of evidence from the Groundswell user research.

5.3 Consultation

5.3.1 The first draft of the strategy was circulated widely across partner and stakeholder organisations after the initial workshop.

5.3.2 The Groundswell UK research offered an opportunity for a wide range of current and previous service users to discuss the draft strategy and to highlight what they feel is working well and what additional services

they think may benefit households threatened with homelessness in the future.

5.4 Publication

- 5.4.1 The strategy will be published on CD disk, and will also include a separate analysis of local, regional and national policy, trends and statistics and a copy of the full report on the consultation undertaken by Groundswell UK
- 5.4.2 A limited number of printed copies of the strategy will be available on request, with the provision for further copies to be printed to meet demand. All printed copies will also be available in large print and in a range of other languages if required.
- 5.4.3 The strategy will be available on the internet, with links to the various strategies and guidance documents referred to within the strategy.

5.5 Key Actions

- 5.5.1 The strategy sets out a series of objectives and actions. These can be summarised as:-
- Working together to understand the causes of homelessness locally
 - Intervening to prevent homelessness
 - Ensuring that adequate accommodation and support services are available
 - Listening to homeless people to develop services that better meet their needs
 - Sharing and adopting best practice
- 5.5.2 The successes of the 2003-2008 strategy have been widely recognised, and it is important to set the current process within a review of achievements to date. Each section of the strategy identifies the progress made on specific issues, but draws attention to:
- Year on year reductions in homelessness presentations and acceptances since 2004/5
 - The establishment of the KIP project for people at risk of rough sleeping and expansion of the STAY project to provide bespoke support services for younger single homeless people
 - The development of the substance misuse bond scheme
 - The introduction of a mental health and housing liaison officer role, to assist people with mental health problems to find suitable accommodation, and to improve links between services
 - The launch of a small specialist accommodation project for 16/17 year olds, focussing on tenancy sustainment, life skills and access to education, employment and training

5.5.3 The key actions for 2009 onwards are:-

- To prevent homelessness in 80% of all cases approaching the Council for assistance by 2011
- To reduce the number of households living in temporary accommodation to no more than 50 at any one time
- To offer improved opportunities and outcomes for customers
- To improve opportunities for service users to influence the services they receive
- To improve access to employment and employment training for homeless people
- To assess the strategy to ensure that it addresses the needs of a diverse community

5.5.4 The Homelessness Strategy and action plan provides an overarching vision for the actions we will need to take, in partnership, to tackle and reduce homelessness in the Borough over the next five years. The strategy complements a range of operational action plans developed and implemented within the Council's Housing Needs Service, and pays particular regard to Government targets to reduce temporary accommodation use by 50% by 2010.

5.5.5 The national temporary accommodation target has been adopted locally through the Local Area Agreement and the Priority Plan, and an invest to save proposal has been agreed to pilot several new initiatives aimed at reducing the use of temporary accommodation, and in particular the reliance on bed and breakfast accommodation for emergencies. The pilot scheme will introduce five new targeted intervention posts for a 12 month period. These will support people who are homeless and will help them to be housed in permanent accommodation or in the case of young people leaving home under difficult circumstances to assist a return to home.

5.5.6 In addition, further work is being undertaken, as part of the Council's response to the current economic downturn, to explore options for a local mortgage rescue scheme and other measures which may alleviate situations where people may be facing homelessness. A further report will be presented to Cabinet shortly on these matters.

5.6 Equality and Diversity

5.6.1 The homelessness strategy and related activities are targeted at reducing adverse impacts on homeless people and promoting positive support for those who endure the worst effects of social exclusion.

5.7 Environmental Impact

5.7.1 There are no environmental implications arising from this report.

5.8 Legal Comment

- 5.8.1 Section 1(1) of the Homelessness Act 2002 gives housing authorities the power to carry out a homelessness review for their district and formulate and publish a homelessness strategy based on the results of the review.
- 5.8.2 Section 1 (3) of the Act required housing authorities to publish their first homelessness strategy by 31st July 2003.
- 5.8.3 Section 1(4) of the Act requires housing authorities to publish a new homelessness strategy, based on the results of a further homelessness review, within the period of five years beginning with the day on which their last homelessness strategy was published
- 5.8.4 Local authorities who are categorised as an excellent authority by the Secretary of State by virtue of the Local Authorities' Plans and Strategies (Disapplication) (England) Order 2005 are exempt from the section 1 (4) requirement.

5.9 Links with Corporate Priorities

- 5.9.1 The recommendations within this report impact upon the following Corporate Priorities:
- Priority 2 – Giving Children and Young People the Best Possible Start in their Lives
 - Priority 4 – Creating a Safe, Strong and Cohesive Community
 - Priority 5 – Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People
 - Priority 7 – an Efficient, Effective and Customer-Focused Council that Delivers Value-For-Money for the Community

5.10 Opportunities and Risks

- 5.10.1 The opportunities and risks associated with this decision have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified

5.11 Financial Implications

- 5.11.1 The recommendations of this report to adopt the revised homelessness strategy do not give rise to financial liabilities outside those existing under the current strategy. For actions involving funding requirements these will be sought from within existing budgets and with contributions from partner organisations. Where residual funding requirements exist these will be pursued through the Service and Financial Planning process.
- 5.11.2 The cost of initiatives to prevent homelessness and to reduce the number of people in temporary accommodation including bed and breakfast remains a significant issue. There are a range of measures in place to reduce the number of people in temporary accommodation

including prevention measures. The costs of temporary stays in bed and breakfast are significant due to the nightly rates commanded by the operators. The Government only contribute a small amount of the cost of bed and breakfast accommodation because of the cap on Housing Benefit subsidy grant.

- 5.11.3 The pilot referred to in paragraph 5.5.5 is the previously reported and agreed invest to save proposal and is being introduced to give further support to those at risk of becoming homeless to prevent them moving to temporary accommodation. If effective this will reduce the expenditure that the Council would have expected to spend on bed and breakfast accommodation. This may not necessarily be an absolute cost reduction due to the current economic circumstances and increasing pressure on homeowners maintaining their mortgages. There is the potential for a higher demand on the Housing Needs service to deal with the consequences of the downturn. However, the pilot scheme may limit any further increase in the numbers in temporary accommodation.

The costs of the invest to save scheme, which is a 12 month pilot, are forecast to be around £140k. This investment will be spent on 5 full time temporary posts. These staff will undertake varying roles to support homeless people to find permanent accommodation or in the case of young people who have left home in the midst of difficult relationships, to support and attempt to reinstate them at home. This will reduce the requirement to provide temporary accommodation and the use of bed and breakfast accommodation. Some of these posts are secondments and are already funded and others are being recruited to.

The total cost is being funded from Supporting People grant £47k, Corporate funding £50k from the revenue budget contingency and £43k from other grants within the ACC Portfolio which is already funding posts seconding to the new pilot. Therefore £97k of new funding is being invested in the scheme.

If successful in meeting a target reduction of 18 cases at any one time (with an average stay of 13 weeks this is equivalent to 72 cases per annum) the anticipated real savings on the current overspend position are expected to be around £165k and therefore in this scenario would exceed the investment.

- 5.11.4 There is also Government action to try to prevent homelessness and repossessions as part of an overall £1 billion national scheme and the Council will play its part in the outworking of these measures. In addition the Council has formulated a number of proposals to help people in the Borough during the current economic downturn. Proposals are being worked up and forecast costs will be presented in due course.

6.0 WARD IMPLICATIONS

6.1 Homelessness may affect people from all wards in the borough. This decision therefore has District Wide implications.

7.0 BACKGROUND PAPERS

None

*Report prepared by Kathy Jones, Housing Needs Business Manager
Tel: 01952 381941*

TELFORD & WREKIN COUNCIL

CABINET - 23RD FEBRUARY 2009

PROCUREMENT & LOCAL BUSINESS – SUMMARY REPORT

REPORT OF THE HEAD OF FINANCE

1.0 Purpose

To provide Members with an update of the work currently being undertaken corporately to work with businesses including Small & Medium sized Enterprises (SME's) within Telford & Wrekin, developing understanding of the Councils requirements and improving SME and Third sector access to Council business.

Further to provide Members with details of planned work to increase the volume of business placed with local providers and action(s) the authority could take to increase business placed locally.

2.0 RECOMMENDATIONS

Members are asked to:-

- 2.1 Note and support the work being undertaken by the Corporate Procurement Unit (CPU) and individual service areas to promote and increase levels of business placed with Telford & Wrekin based providers.**
- 2.2 Support the approach to proactively seek out further methods of and opportunities to, work with local businesses and third sector providers.**

3.0 Current Work

- The current economic climate has enhanced our focus as a Local Authority on taking action to support businesses within Telford & Wrekin. Statistics for the 12 months to the end of November show that 49.6% (£63.5M) of our procurement spend was with organisations located in Telford. Further analysis of our spend profile is underway.
- EU Legislation exists which dictates that contracts over specific values must be advertised openly and transparently across all Member States.
- Much Central Government guidance has been written to support the use of third sector organisations and SME's. Most recently the *Glover Report – Accelerating the SME economic agenda*
- A balance must be struck between the national/regional agenda to collaborate and looking to build in support for the local business sector wherever possible.
- The CPU is currently working with the Shropshire Chamber of Commerce to promote Council business to Chamber members, including a Meet the Buyer event on the 29th Jan.
- The CPU is working with the Telford CVS to improve understanding of and access to Council business for Third Sector Organisations.
- Work is underway to re-design and simplify our standard tender documentation

- Work is already underway within individual service areas to develop the amount of business placed within Telford. Particular areas of note include Catering Supplies, Transport and Domiciliary and Residential Care
- Focus on the use of local artists by Arts & Culture team, including training & development programmes

4.0 What More Can be Done

- Build into our contract specifications clauses relating to community benefits. This could for example include the employment and re-training of local unemployed labour, where this is commensurate with the contract and is non-discriminatory.
- For below EU threshold contracts (£140k Good & Services: £3.4M Works) some increased scope exists to consider selection criteria which may enhance opportunities for local organisations. Care would need to be taken with such an approach.
- Make use of the Shropshire Chamber of Commerce Business Portal for below £50k contract opportunities
- Develop a Think Local/Buy Local Portal
- Support an organisation such as Transforming Telford in establishing a link role between the Council and local businesses
- Re-package our large contracts to make them more accessible to smaller, local providers
- Make increased use of Sustainability criteria when tendering, increasing the changes of local provider winning business.
- Increase use of local framework agreements for low value contracts. Spreading business across a wider range of local businesses.
- A process is being undertaken and it is possible to move our stationery contract from our current provider to a local provider whilst retaining value for money.
- Adjust Council Financial regulations for lower value contracts (less than £50k) to support in some way the need to consider local providers as a first point of call (subject to legal approval)
- Provide further targeted training to Businesses and the 3rd Sector in Telford.

Legal Comment

Regulation 39 of the Public Contracts Regulations 2006 allows us as a Local Authority to stipulate social and environmental conditions relating to the performance of a contract provided that these are set out in the OJEU notice and/or contract documents and comply with the EU law. The community benefits in question must be linked to the subject matter of the contract. There is case law that requires community benefit clauses to be verifiable and as a Local Authority we should always ensure that local labour provisions will help to achieve our policy objectives and do not conflict with Best Value.

Legal Services will continue to provide advice and assistance to CPU in the review of all documentation and also in the provision of advice in the area of 'community benefits' to help in the creation of sustainable communities including social, economic and environmental benefits.

Report Prepared by Adrian.D.Griffith: Procurement & Payments Manager

TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2009

PROCUREMENT & LOCAL BUSINESS – MAIN REPORT

REPORT OF THE HEAD OF FINANCE

1.0 Purpose

To provide Members with an update of the work currently being undertaken corporately to work with businesses including Small & Medium sized Enterprises (SME's) within Telford & Wrekin, developing understanding of the Councils requirements and improving SME and Third sector access to Council business.

Further to provide members with details of planned work to increase the volume of business placed with local providers and action(s) the authority could take to increase business placed locally.

2.0 RECOMMENDATIONS

Members are asked to:-

2.1 Note and support the work currently being undertaken by the Corporate Procurement Unit (CPU) and individual service areas to promote and increase levels of business placed with Telford & Wrekin based providers.

2.2 Support the approach to proactively seek out further methods of and opportunities to, work with local businesses and third sector providers.

3.0 Summary

- 3.1 The current economic climate has enhanced our focus as a Local Authority on taking action to support businesses within Telford & Wrekin. Statistics for the 12 months to the end of November show that 49.6% (£63.5M) of our procurement spend was with organisations located in Telford.
- 3.2 EU Legislation exists which dictates that contracts over specific values must be advertised openly and transparently across all Member States. Regulation 39 of the "Public Contract Regulations 2006" ("The Regs") expressly allows 'contracting authorities' to stipulate social and environmental conditions relating to the performance of a contract, provided that these are set out in the OJEU notice and/or contract documents and also comply with the general principles of EU law, including non-discrimination and transparency. The community benefits in questions must be linked to the subject matter of the contract.
- 3.3 However, there has been much central government guidance written to support the use of third sector organisations and SME's. Most recently the *Glover Report – Accelerating the SME economic agenda*, published in Nov 2008. This report

outlines the positive steps public sector bodies can take to increase business with SME's.

- 3.4 There is a balance which must be struck between the national/regional agenda to collaborate and looking to build in support for the local business sector wherever possible.
- 3.5 The CPU is currently working with the Shropshire Chamber of Commerce to promote Council business to Chamber members. The CPU is also working with the Telford CVS to improve understanding of and access to Council business for Third Sector organisations. Procurement from third sector organisations also features as part of the Council's wider Third Sector strategy, being managed by Community Services.
- 3.6 Initial discussions have taken place with Transforming Telford to investigate how Council procurement can be used to support the Transforming Telford agenda.
- 3.7 Work is underway to re-design our standard tender documentation; a desired outcome of this work is to simplify documentation wherever possible to make doing business with the Council easier.
- 3.8 Work is already underway within individual service areas to develop the amount of business placed within Telford. Particular areas of note include catering supplies, transport, the TWS contract managed by Environmental Services and the third sector work mentioned above. Domiciliary and Residential Care services are also areas in which we spend considerable sums locally.

4.0 Previous Minutes

- 4.1 None

5.0 Information

Background

- 5.1 During the 12 months to December 08 The Council paid invoices to a total value of £128M of this £63.5M (49.6%) was paid to organisations and individuals with TF post codes. From this it is clear that the Council is already making considerable use of its spending power to benefit the local economy. In light of the credit crunch the focus is now on what the authority can do to further use its spending power to support and influence local communities.
- 5.2 Any work we do to increase levels of business with local organisations is likely to be heavily focused on working more widely with SME's. *The Glover Report (Nov 2008), Accelerating the SME economic agenda*, commissioned by The Treasury, reports on the hurdles which SME's face in accessing public sector contracts, providing 12 recommendations on what public sector bodies can do to make it easier for SME's to win public sector business. The 12 recommendations are split across the headings:-
 - Transparency

- Simplicity
- Strategic Procurement
- Measurement

Some of the 12 recommendations are practical, a number are aspirational whilst others are specifically focused on Central Government. However, the headings are valid and as an authority we can demonstrate that we are, looking to build on the level of **Transparency** in our contracts, are working to **Simplify** how we procure and are working to procure in a more **Strategic** manner. The available management information we have means that it is not currently possible to effectively **Measure** the amount of business we place with SME's as our systems do not hold this information

What are we currently doing?

- 5.3 Over the last 4 years the CPU have consistently worked with the Shropshire Chamber of Commerce to create member awareness of What, How and Why the Council buys. This has included attendance at a number of Chamber events and the delivery of tailored training.

The CPU working alongside The Shropshire Chamber, Shropshire County and West Mercia Supplies recently delivered a Meet the Buyer event held in Shrewsbury on the 29th Jan. This event was open to all Telford businesses (not just Chamber members).

The CPU has also secured access to the on-line business portal, recently introduced by The Chamber. This will allow the Council to advertise contracts up to £50k to Telford (and Shropshire) businesses first. The system is free and easy to use with numbers of local businesses registered on the system growing by the week.

The CPU is also working with the CVS to develop understanding and suitable capacity within third sector organisations. This will include assisting the CVS with recruitment to a procurement role and the provision of training and guidance to CVS members.

The CPU has also had some initial discussions with colleagues from Transforming Telford, with more work planned; as it is felt Council procurement can help deliver in this area.

The CPU with input from Legal Services is also in the early stages of reviewing all documentation used as part of the tendering process. This will simplify our lower value procurement processes and it is hoped this will encourage more SME's to bid for Council contracts.

- 5.4 In addition to the circa 50% of invoiced spend we currently have with Telford based organisations a number of initiatives exist within specific areas to increase local business and foster improved relationships with local providers. These include:-

- Catering Services have built a clause into their food contracts which states that wherever possible local suppliers will be used. Catering Services have also been successful in encouraging suppliers further down our supply chain to also buy local.
- Mobility & Development are currently working with TWS to maximise the use of local suppliers and labour through that contract
- ACC are working, with particular emphasis on the Learning Disability Service, to ensure placements are undertaken locally. Further ACC have noted a lack of local provision for residential services for older people. One outcome of this being a new building provision within the borough in partnership with Coverage Care.
- The Transport team are working through a number of contracts to increase the use local companies. This includes a trial for the use of bio fuels and vehicle servicing & repairs being conducted locally.
- Community Services through the Safer Stronger Priority Plan are heavily engaged in efforts to develop a third Sector strategy and are working to develop a strategic approach to using the third sector ideally involving the LSP.
- Local dealerships are used to acquire all leased vehicles, unless specific circumstances dictate otherwise.
- The CPU and HR are currently re-letting the corporate contract for Agency Staffing. As part of this process there will be an opportunity for a number of Telford based providers who chose not to join our existing framework, to re-engage with the Council.

What more could we do?

- 5.5 For Goods & Services contracts with a value greater than £140k and Works contract greater than £3.5M EU Legislation exists which constrains the Local Authority's ability to impose local labour, local sourcing or local 'sub-contracting' requirements on suppliers.

However, there is nothing to prevent us building into specifications and contracts, requirements relating to community benefits to be delivered to the locality, provided that there is no direct or indirect discrimination for instance, an example of an acceptable local labour provision could include specifying that an agreed number of employment opportunities, training opportunities and/or work placements are provided by the contractor in connection with the project.

- 5.6 For below EU threshold contracts (£140k Good & Services: £3.4M Works) some increased scope exists to consider selection criteria which may enhance opportunities for local organisations. Care would need to be taken with such an approach.

- 5.7 **Make use of the Shropshire Chamber Business Portal –** Financial Regulations stipulate that for procurements with a value less than £50k Officers are required to seek a minimum of 3 quotations. In many instances Officers will have list of suppliers they consistently use, many of which are likely to be outside of Telford & Wrekin. Officers could make use of the Business Portal and/or look to source goods and services from Telford & Wrekin based organisations by other means.

- 5.8 **Develop a “Think Local/Buy Local” Portal -**
A number of authorities, including Staffordshire and Sandwell have developed web sites to promote local business. The Shropshire Chamber portal could be used to do much of this work; we could further enhance the impact by developing a portal of our own.
- 5.9 Support an organisation such as Transforming Telford in establishing a **link role between the Council and local businesses**
- 5.10 **Consider how we package our contracts –**
Consider opportunities to re-package our contracts in a way which will assist smaller businesses in bidding for and winning our business, for example by breaking large contracts down into smaller lots. The potential downsides which would need to be balanced here are increased workloads, the increased number of contracts to manage and the loss of economies of scale.
- 5.11 Move our **stationery contract** from Banner Business Supplies to Lyreco (if WMS remain uncompetitive for office stationery)
- 5.12 Make increased use of **local framework agreements**, spreading business across a wider range of local businesses
- 5.13 Increase use of **sustainability criteria –**
By enhancing the use of sustainability as a selection criterion we could compliantly improve the chances of local businesses in winning our business, an example being the consideration of food miles.
- 5.14 Adjust Council **Financial Regulations** for lower value contracts (less than £50k) to support in some way the need to consider local providers as a first point of call (subject to legal approval)
- 5.15 Provide further targeted **training** to Businesses and the 3rd Sector in Telford.
- 5.16 Make use of **contract criteria** around employment of local labour and re-training – This is only likely to apply to major, high value contracts, for example construction.

There is nothing to prevent us building into specifications and contracts requirements relating to community benefits to be delivered to the locality, provided that there is no direct or indirect discrimination. We would need to be careful to understand the cost and process impacts of any such criteria.

6.0 Equality & Diversity

- 6.1 In general terms public authorities have legal duties to eliminate discrimination, promote equality of opportunity and promote good community relations. This applies to our role as a procurer of services as well as a provider of services and as an employer. In many circumstances this legal duty also applies to contractors delivering public services on behalf of the Council. The work identified at 3.1, 3.2 & 5 above is being moved forward to ensure that the Council is meeting its legal duties within procurement processes and promoting best practice across the organisation.

7.0 Environmental Impact

- 7.1 By purchasing locally the Council have the opportunity to foster local economic regeneration and create employment opportunities with money which may previously have been spent outside of the Borough. The environmental benefits of, sourcing goods from within Telford and Wrekin are that they will carry a much smaller carbon footprint than goods sourced from other parts of the UK or abroad. Transport miles are substantially lower; in addition there may be the opportunity to reduce levels of protective packaging.

8.0 Legal Comment

- 8.1 Regulation 39 of the Public Contracts Regulations 2006 allows us as a Local Authority to stipulate social and environmental conditions relating to the performance of a contract provided that these are set out in the OJEU notice and/or contract documents and comply with the EU law. The community benefits in question must be linked to the subject matter of the contract. There is case law that requires community benefit clauses to be verifiable and as a Local Authority we should always ensure that local labour provisions will help to achieve our policy objectives and do not conflict with Best Value.

Legal Services will continue to provide advice and assistance to CPU in the review of all documentation and also in the provision of advice in the area of 'community benefits' to help in the creation of sustainable communities including social, economic and environmental benefits.

9.1 Links with Corporate Priorities

- 9.1 Community Ambitions 1, 3 and 7.

10.0 Opportunities and Risks

- 10.1 The opportunities and risks associated with this decision/option/project have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

11 Financial Implications

- 11.1 Current activities are being met from within existing budgets. In relation to the potential actions identified there will be financial implications which will have to be quantified as part of any formal appraisal.

Background Papers

Procurement Strategy

End of Report

Report prepared by Adrian Griffith: Corporate Procurement & Payments Manager.

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2009

IMPACT OF THE ECONOMIC DOWNTURN

REPORT OF THE HEAD OF ECONOMIC DEVELOPMENT

1. PURPOSE

- 1.1 To provide an update on the impact of the recession on the Borough economy, and to outline economic support measures in place and being developed to mitigate that impact.

2. RECOMMENDATIONS

- 2.1 **To note the impact of the current recession on the Borough economy, and economic support measures in place and being developed to mitigate that impact;**
- 2.2 **To endorse revision of the Borough Economic Strategy to deliver a successful and sustainable economy in the medium and long term.**

3. PREVIOUS MINUTES

- 3.1 Transforming Telford 8 Month Monitoring Report, 26th January 2009

4. THE ECONOMIC DOWNTURN

- 4.1 The UK economy is now officially in recession. The Bank of England Agents' last summary of business conditions (December 2008) reported shrinking demand; reduced retail sales; falls in output in manufacturing, construction and business services; a slowing of export orders; and an easing of input and output price inflation. Significant redundancies are being reported nationally (for example 2,500 jobs at Corus), with the car industry and its supply chain particularly badly affected. With daily reporting on the effects of the recession and successive Government responses, the challenge is to understand how Telford and Wrekin's economy is being affected.

5. IMPACT OF THE DOWNTURN ON THE BOROUGH ECONOMY

- 5.1 Latest available unemployment figures (for January 2009) are appended. Unemployment rose from 3,490 to 3,694 compared to December, an increase of 474, with an overall increase of 1,816 over a 12 month period to reach its highest level since August 1996.
- 5.2 Overall unemployment (3.9%) remains below the regional average (4.5%) but the gap is closing. It is now significantly higher than national average (3.4%) in part reflecting the poor performance of the region as a

whole. This is having a disproportionate impact on some Wards, for example Woodside (8.4%), Malinslee (7.4%) and Cuckoo Oak (6.5%) where unemployment is rapidly rising. There is also a disproportionate impact on male unemployment (5.7%) , but female unemployment (2%) is likely to show a rise in future months as the retail sector suffers in the post Christmas period. Redundancies, short time working and temporary lay offs are increasing, particularly in the manufacturing sector. Although specific data is not available for redundancies amongst agency workers, many firms are cancelling agency contracts as a first step. These account for up to 20% of the workforce in many medium and large manufacturing firms.

- 5.3 There are positive indicators. The level of long term unemployment (over 12 months) at 4.8% of claimants is well below both the regional (10.7%) and national (8.4%) figures indicating that we are successful at progressing people back into work after they are made redundant (although with increasing numbers seeking work, the number of long term unemployed is likely to rise). The level of notified vacancies in November was also higher than for same period last year. Wage levels (£449.60 per week for residents in November) are above the regional average and many businesses (for example Makita) are still performing strongly in the market place.
- 5.4 However, further major redundancies are anticipated in the coming months and short time working and temporary lay offs are increasing – particularly in the automotive supply chain. The overall outlook for the Borough economy remains a cause for concern.

6. ECONOMIC SUPPORT MEASURES TO MITIGATE THE IMPACT OF THE DOWNTURN ON THE BOROUGH ECONOMY

The Council and its partners are undertaking a number of economic support measures to provide additional help to businesses and those experiencing or facing redundancy, to protect the Borough economy during the recession, and ensure the economic wellbeing of residents.

6.1 'Credit Crunch' response

- 6.1.1 The measures outlined below are part of, and complement, a wider response to the 'credit crunch' and downturns in the economy and housing market. Measures include:
- The establishment of a town centre information and advice shop at the Library – although focussed on residents rather than businesses, this will provide information on business and enterprise support, and referrals where appropriate
 - Supporting the Citizens Advice Bureau, Fairshare Credit Union, and the Department of Work and Pensions to provide debt advice
 - Measures being considered to support the housing market, including establishing a partnership housing delivery vehicle.

6.2 Immediate economic support

- 6.2.1 *Delivering key economy infrastructure projects.* Every effort is being made to focus and bring forward these projects to boost business

confidence, and to provide construction and longer term job opportunities

- Telford Town Centre has been identified as one of 21 Impact 'Impact Investment Locations' in the Regional Funding Advice proposal being developed for submission to government. This will support the £17m Council investment in the Southwater redevelopment which will lever private sector investment into the Town Centre delivering a package of up to £250m
- Lakeside and Telford Technology Park employment sites are being developed to deliver high technology start up and grow on opportunities through Transforming Telford (TT) and the Wolverhampton/Telford Technology Corridor (W TTC)
- Proposals for new Polymer and Building Technologies, and ICT Centres of Excellence are being developed to the feasibility stage through TT and W TTC.

These complement wider infrastructure investments that will have economic benefits including the Campus Telford and Wrekin programme; Telford Sports Enterprise and Learning Community (TSLEC); the Borough Towns initiative; Rail Freight; World Heritage Site; and regeneration of the New Town estates There is very strong support for this approach from the business community.

6.2.2 Providing enhanced business support. To complement existing business networking and aftercare support provided by Transforming Telford, every effort is being made to ensure companies can easily access the national support available. This includes:-

- Transforming Telford working with Business Link to ensure that information is cascaded through intermediaries and business networks
- Telford Business Partnership (TBP), which represents the Business and Professional Sector, setting up an online local business support/events calendar.
- Enterprise HQ (with financial support from the Council) will be opening on 12th February 2009. This will increase the range of support available for home based entrepreneurs
- Reducing the regulatory burden on local businesses by providing a more consistent, proportionate and fair approach through enhanced advice and support to achieve regulatory compliance

6.2.3 Providing co-ordinated redundancy support - Key partners (Transforming Telford, Jobcentre Plus and the Learning and Skills Council) co-ordinate activity through the Telford and Shropshire Recruitment and Redundancy Support Group. TT has increased its visit programme to the Top 100 Companies to understand the impact of the recession and is also increasing support through the HR Forum.

6.2.4 Procurement and supply chain support. The Council is taking the lead with Shropshire County Council and the Chamber of Commerce to encourage greater use of local firms by the local authorities.

6.2.5 Local-level support. The Council provides a number of community-based lifelong learning and development services across the Borough to help improve local people's skills and employment prospects:

- *Childcare* – the Council supports an extensive childcare network to enable parents to re-enter employment or improve their skills
- *Nextstep careers advice* – working with Jobcentre Plus to provide skills health checks and in-depth careers advice
- *Tackling worklessness* – the City Strategy initiative (a City region project concentrating on priority wards in relation to unemployment) had reduced unemployment in Donnington and Malinslee, complementing work across the most deprived Wards in the Borough
- *Training and re-skilling* – delivered across the Borough in partnership with TCAT and new College (much of which is free) and designed to offer a pathway from training into employment – with ‘credit crunch’ courses now introduced
- *Job Junctions* – drop in sessions in all three areas of the Borough helping with job search, c.v. writing and job applications; as well as careers, debt and business start up advice
- *Voluntary sector support* – supporting the sector to provide more training for the community and volunteers

6.3 Partner activity

6.3.1 These measures complement work being undertaken by partners including:

- *Jobcentre Plus (JCP)* - In addition to their core services , JCP has implemented a regional rapid response service and is able to offer extended help and support to employers and employees. This is now working well and being used locally by partners to support companies.
- *The Learning and Skills Council (LSC)* - the LSC works closely with JCP and to deliver an Integrated Employment and Skills programme under a West Midlands Pilot); the employer based Train to Gain programme has been extended to a pre employment programme
- *Business Link* - is providing individual business surgeries on a sessional basis at Transforming Telford’s offices; providing business clinics on a sectoral basis (commencing with creative and media, and tourism industries); and working with Council service areas (for example Trading Standards) to increase access to business support services
- *Shropshire Chamber of Commerce* - has launched a business portal for firms to advertise contracts to encourage development of local supply chains for goods and services.

6.3.2 Strong partnership working at an operational level is being supported and developed by Telford and Wrekin Partnership, the Employment and Skills Board, and a worklessness group

6.4 Economic support being developed

6.4.1 The Council and its partners are discussing a range of ‘Act Local’ economy measures to build on procurement and supply chain support underway to :

- link employment and training for residents to job opportunities arising from major projects – including a skills hub as part of the Town Centre proposals
- encourage further development of local supply chains

Further work is in development to promote Telford as an investment location based on availability of development land, environmental quality, accessibility, and strong business networks.

A Multi Area Agreement for employment and skills is currently being developed through the City Region, to take forward the City Strategy work.

6.5 Telford and Wrekin Economic Strategy

- 6.5.1 The measures outlined above will help support businesses and residents through the current recession, and ensure that the Borough economy is in a strong position to respond when an economic upturn occurs. The long term Economic Strategy, which will deliver a successful and sustainable economy, remains important. This Strategy is being reviewed and revised and will be launched at the State of the Borough Conference in October 2009.

7. EQUAL OPPORTUNITIES

- 7.1 The economic downturn is likely to have a disproportionate impact on those already disadvantaged in the labour market. The measures proposed, particularly those aimed at improving skills and employability for those out of work, will help to address this disadvantage. It will be important to obtain an accurate picture of who is experiencing or facing redundancy in the Borough in order to ensure that appropriate support is in place and to provide targeted support where need is identified. Appropriate monitoring arrangements are being put in place to enable this to happen. An Equality Impact Assessment of the Economic Strategy will be completed as the Strategy is developed to ensure that all communities of Telford & Wrekin will benefit from its delivery.

8.0 ENVIRONMENTAL IMPACT

- 8.1 There are no direct additional environmental impacts arising from this report.

9.0 LEGAL COMMENT

- 9.1 Legal Services are developing a briefing note for officers on the scope of “Act Local” initiatives to help ensure compliance with EU procurement rules.

10.0 LINKS WITH CORPORATE PRIORITIES

- 10.1 The measures outlined in this report will help to achieve the objectives set out in the ‘Strengthening the local economy and skills’ Priority Plan. The Plan’s targets are being revised through the Priority Plan refresh process in the light of the likely impact of the economic downturn.

11.0 FINANCIAL IMPLICATIONS

- 11.1 The economic support measures detailed in this report are part of a wider package of initiatives to be put in place by the authority to mitigate the local effects of the credit crunch and economic recession. £700k revenue funding has been allocated from one-off underspends and balances to fund this package of initiatives for 2008/09 and 2009/10.

12.0 WARD IMPLICATIONS

- 12.1 Borough-wide implications, since the measures aim to support all residents and businesses of Telford & Wrekin

End of Report

Report prepared by Peter Smith, Head of Economic Development

Tel: 01952 384700

Latest unemployment claimant count with rates January 2009

Total				
Date	Great Britain	W. Midlands	Telford and Wrekin	
	rate	rate	rate	number
Jan-08	2.2	3.0	2.1	2,148
Feb-08	2.3	3.0	2.2	2,195
Mar-08	2.2	3.0	2.1	2,169
Apr-08	2.2	3.0	2.2	2,229
May-08	2.2	3.0	2.2	2,250
Jun-08	2.2	3.0	2.2	2,285
Jul-08	2.3	3.1	2.3	2,365
Aug-08	2.4	3.3	2.5	2,497
Sep-08	2.5	3.4	2.6	2,608
Oct-08	2.6	3.4	2.7	2,705
Nov-08	2.8	3.7	3.0	3,042
Dec-08	3.0	4.0	3.5	3,490
Jan-09	3.4	4.5	3.9	3,964

Male				
Date	Great Britain	W. Midlands	Telford and Wrekin	
	rate	rate	rate	number
Jan-08	3.1	4.2	2.9	1,518
Feb-08	3.2	4.3	3.0	1,561
Mar-08	3.1	4.3	2.9	1,531
Apr-08	3.1	4.2	3.0	1,580
May-08	3.1	4.2	3.0	1,605
Jun-08	3.1	4.3	3.2	1,660
Jul-08	3.2	4.4	3.3	1,723
Aug-08	3.4	4.6	3.4	1,800
Sep-08	3.5	4.7	3.6	1,872
Oct-08	3.6	4.8	3.8	1,973
Nov-08	3.9	5.3	4.3	2,251
Dec-08	4.4	5.8	5.0	2,615
Jan-09	4.8	6.4	5.7	2,974

Female				
Date	Great Britain	W. Midlands	Telford and Wrekin	
	rate	rate	rate	number
Jan-08	1.2	1.6	1.3	630
Feb-08	1.3	1.7	1.3	634
Mar-08	1.2	1.7	1.3	638
Apr-08	1.2	1.7	1.3	649
May-08	1.2	1.6	1.3	645
Jun-08	1.2	1.7	1.3	625
Jul-08	1.3	1.7	1.3	642
Aug-08	1.4	1.9	1.4	697
Sep-08	1.4	1.9	1.5	736
Oct-08	1.5	1.9	1.5	732
Nov-08	1.5	2.0	1.6	791
Dec-08	1.6	2.1	1.8	875
Jan-09	1.8	2.3	2.0	990

% JSA Claimants out of work for more than a year December 2008

	Great Britain	W. Midlands	Telford and Wrekin	
	rate	rate	rate	number
Jan-08	14.0	18.6	9.8	210
Jan-09	8.4	10.7	4.8	190

Latest Ward unemployment January 2009

Ward	December 2008		January 2009		Change
	Number	Rate	Number	Rate	
Apley Castle	29	1.5	38	1.7	9
Arleston	61	3.2	81	4.1	20
Brookside	232	4.9	244	5.2	12
Church Aston and Lilleshall	20	1.1	28	1.6	8
College	86	4.6	96	5.0	10
Cuckoo Oak	204	5.8	223	6.5	19
Dawley Magna	260	4.3	302	5.1	42
Donnington	168	4.6	190	5.2	22
Dothill	45	2.6	47	3.0	2
Edgmond	15	0.7	21	1.0	6
Ercall	47	2.9	44	2.7	-3
Ercall Magna	20	1.2	29	1.7	9
Hadley and Leegomery	240	3.9	273	4.1	33
Haygate	82	5.2	90	4.9	8
Horsehay and Lightmoor	38	2.0	45	2.1	7
Ironbridge Gorge	37	2.2	46	2.8	9
Ketley and Oakengates	205	3.6	237	4.1	32
Lawley and Overdale	106	3.4	118	3.5	12
Madeley	125	3.8	141	4.3	16
Malinslee	238	6.5	268	7.4	30
Muxton	93	2.4	110	2.7	17
Newport East	33	1.9	42	2.5	9
Newport North	23	1.3	32	1.8	9
Newport South	31	1.9	38	2.6	7
Newport West	31	1.8	41	2.4	10
Park	32	2.1	38	2.7	6
Priorslee	70	1.6	79	1.6	9
Shawbirch	39	1.8	40	1.9	1
St Georges	124	3.6	141	3.9	17
The Nedge	263	4.2	292	4.7	29
Woodside	313	7.3	340	8.4	27
Wrockwardine	53	1.7	60	1.8	7
Wrockwardine Wood and Trench	127	3.0	150	3.6	23
Telford & Wrekin Total	3,490	3.5	3,964	3.9	474

TELFORD & WREKIN COUNCIL

CABINET – 23rd FEBRUARY 2009

REVIEW OF THE STRATEGIC RISK REGISTER – JANUARY 2009

REPORT OF THE CORPORATE DIRECTOR RESOURCES

1. PURPOSE

- 1.1 For members of the Cabinet to agree the revised key strategic risk register following the review in January 2009.

2 RECOMMENDATIONS

- 2.1 **That the Cabinet approve the changes to key risks shown in paragraph 6 and detailed in Appendix A, and note that these revisions to Key Strategic Risks will be reported to the Audit Committee for information.**

3 SUMMARY

- 3.1 The Cabinet needs to review the Key Strategic Risk Register regularly in order to reflect the constant changes affecting the Council, its risks and the effectiveness of the controls implemented to manage these risks.

4 PREVIOUS MINUTES

- 4.1 Cabinet 10th November 2008
Audit Committee 27th January 2009.

5 BACKGROUND INFORMATION

- 5.1 The last formal review of the Key Strategic Risks took place during September and October 2008. The results of the January 2009 review of Key Strategic Risks are shown in Appendix A. Changes since September are shown in colour and bold.

6 PROPOSED AMENDMENTS FOR JANUARY 2009

- 6.1 Two new key risks were identified during this review. These are highlighted in blue and bold in the Strategic Risk Register (Appendix A).

Risk No.38 – Page 10. Delivering the Borough Towns Initiative – significant dependence on receipts from land disposal in a declining property market and with increasing financial instability. Raised by Corporate Director – Environment and Regeneration. The proposed residual risk score is 7 – (High Impact and Medium Likelihood).

Risk No.37 – Page 12. Failure to continue to provide key services in the event of a significant business interruption. Raised by Corporate Director – Adult and

Consumer Care. The proposed residual risk score is 7 – (High Impact and Medium Likelihood).

6.2 In addition the following **amendments to existing key risks** have been made (shown in red and in bold in Appendix A):

Risk	Proposed Changes January 2009
Risk 1 (page 11) Failure to respond effectively to major disaster or emergency	<ul style="list-style-type: none"> Proposed changes to controls and actions reflect the proposed new risk around business continuity. Current residual score of 7 – may well reduce at the next review.
Risk 33 (page 4) The outcome of Investing for Health and Darzi reviews regionally and nationally results in significant issues on future provision of acute health and care services.	<ul style="list-style-type: none"> Amended actions to reflect current situation. Propose to add an additional owner – Corporate Director C&YP to support on this. Does the outcome of these reviews just impact on provision on acute health services – propose remove the word “acute” and insert “and care” to read : <p style="text-align: center;">“provision of health and care services”</p>
Risk 9 (page 9) Failure to regenerate the new town estates.	<ul style="list-style-type: none"> Risk Description has reverted back to its original as it is proposed that the Borough Towns Initiative will be monitored separately – new risk 38. Previous risk description was : Failure to regenerate the new town estates and the borough towns.
Risk 11 (page 20) Failure to retain / attract investment and improve skill levels to provide employment for local people	<ul style="list-style-type: none"> Amended actions to reflect current situation. Risk description amended to more accurately reflect the aims and objectives – previous risk description : Failure to retain / attract investment to provide the skills and jobs to meet the growing local needs.
Risk Number : 2, 4, 5, 8, 10, 14, 21, 23, 25, 29, 31, 35.	<ul style="list-style-type: none"> Amendment to controls and or actions since last review in October 2008.

6.3 **Risks Removed** – One key risk was removed during this review.

Risk	Reason for deletion	Date of Deletion
Risk 26 - Failure to deliver a financially viable Rail Freight project (residual score 7)	No longer considered a Strategic Risk, however this will continue to be monitored at Portfolio level.	January 2009

- 6.4 In September 2009, there were **18** key strategic risks identified on the key strategic Risk register. Following this review there are now **19** key strategic risks. The next review is planned for May 2009.
- 6.5 At the Audit Committee held on 27th January 2009, it was suggested that future versions of the Strategic Risk Register should include more information about the nature of the risk and that wherever possible future actions should have a clear target timescale. It is intended to adopt these suggestions from the next review of the risk register, in May 2009.

7 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	The identification of risks and proper management of them in respect to equalities will ensure that legislation and the Council's policies and ambitions in respect to equality are met.
Environmental Impact	The identification of risks and proper management of them in respect to environmental issues will help ensure that legislation and the Council's policies and ambitions in respect to the environment are met.
Legal Implications	The proper management of risks should reduce the likelihood of litigation and claims against the Council.
Risk Management	Agreeing the revised Strategic Risk Register will give further opportunities to demonstrate that we are identifying and managing risks appropriately at every level of the Authority.
Links with Corporate Priorities	Managing risks as per the Council's risk management processes will help the Council to deliver effectively the Council's priorities.
Financial Implications	The management of risks in respect to claims and litigation and reviewing how risks are controlled could result in reduced financial costs to the Council. Good risk management contributes to the efficient use of resources.
Ward Implications	Good management of the key strategic risks will impact on the Council and therefore all the wards within the Borough.

8 BACKGROUND PAPERS

Risk Management Strategy 2008.

Key Strategic Risk Register – September 2008.

Report by Sarah Daffern, Principal Risk Officer 01952 383112

Key Strategic Risks in Residual Score Order – January 2009

APPENDIX A

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
33	<p>The outcome of Investing for Health and Darzi reviews regionally and nationally results in significant issues on future provision of health and care services.</p> <p>Raised Sept 2007 by Corporate Director ACC</p>	OP STRAT FIN PEO REP POL	9	<ol style="list-style-type: none"> 1. Council Officers involved in local and regional discussions 2. Interim findings have been published with final report published in October 2008. 3. Richard Webb is part of the Clinical Leads Forum. 4. Cabinet Member is Co-Chair of Governance Group. 5. Cabinet approved additional funding for Scrutiny to scrutinise final options. 6. Cabinet have received the current recommendations. 7. Regular officer level meeting to coordinate responses. 	8	<ol style="list-style-type: none"> 1. On-going lobbying, monitoring and involvement. 2. Scrutiny will need to consider final recommendations and could reject the proposals at a local level if they feel the consultation process is inappropriate. 3. Regular member meeting to be established to oversee coordination of response. 4. Scrutiny to source external expertise to assist with formulation of response. 5. Next round of options due March 2009. 	<p>Corporate Directors ACC and C&YP</p> <p>Cabinet Members: Jacqui Seymour and Stephen Burrell.</p>	ALL
25	<p>Demographic changes across the Borough in terms of age and complexity of need places increased pressures on budgets and service capacity</p>	OP FIN STRAT REP	9	<ol style="list-style-type: none"> 1. Service and financial planning framework 2. Transition protocols in place between Children's Services and Adult Services 3. Eligibility Criteria for Services. 4. Panel and review 	8	<ol style="list-style-type: none"> 1. Further develop transition protocols between C&YP, ACC and partner agencies (e.g. Connexions and LSC) 2. Further develop transitions for Young People with complex 	<p>Corporate Directors Adult and Consumer Care and Children & Young People</p> <p>Cabinet</p>	2,5,6

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
	Raised Sept 06			<p>arrangements for Care Packages.</p> <p>5. New service provision arrangements are being put in place by Capital Programme and BSF Programme (e.g. Jigsaw and new inclusion centres)</p> <p>6. CSR is settled from C&YP point of view in terms of pupil placed planning and BSF Strategy for Change Part 1 & 2. OBC final submission due end January.</p> <p>7. On-going lengthy programme of review is underway of Community Care which focuses on access and re-enablement</p> <p>8. Benchmarking with other Local Authorities and other agencies indicates this is a national trend</p> <p>9. Improved links between Children with Disabilities Services and Adults with Learning Disabilities Services (ALD)</p> <p>10. Transition Team has been established – led by ACC</p> <p>11. Workshop held with ALD staff on service</p>		<p>social circumstances who may need assistance as they leave school environment</p> <p>3. Putting People First will consider implications of Personal Budgets and the move towards universal social care services.</p> <p>4. The work of the integrated housing project is also contributing to addressing this risk, however note the impact of the credit crunch.</p> <p>5. Recruit to current social work vacancies in ACC and C&YP.</p> <p>6. Deliver BSF program.</p>	<p>Members: Jacqui Seymour and Stephen Burrell</p> <p>ACC Portfolio Risk and CYP Portfolio Risk</p>	

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<p>pressures and budgets</p> <p>12. On-going implementation of the actions that came out of the joint stock-take between the CYP and ASC senior management teams to review transition, Team around the Child & 16-19 arrangements.</p> <p>13. Additional actions taken to secure and retain social workers.</p> <p>14. T&W contributed to national consultation on the future of Adult Social Care funding – T&W contributed to this debate</p>				
10	<p>Failure to deliver housing 'growth' target.</p> <p>(raised June 06) Updated description May 2007, description amended Sept 2007).</p>	STRAT REP FIN	9	<ol style="list-style-type: none"> 1. Secured place in BCBC City Region. 2. Regional growth targets require increased growth in places such as Telford. 3. Received significant funding from New Growth Points initiative – 08/09 – 10/11. 4. Local Development Framework core Strategy in place. 5. Extensive involvement in Regional Planning activity. 6. Established Integrated Housing Project. 7. Cabinet have confirmed 	8 (prev 7)	<ol style="list-style-type: none"> 1. Continue to work with council members and local communities to secure support for proposed growth.. 2. Work with partners to develop an approach – Partnership Board driving effective joint working including engagement of key partners, e.g., AWM, RSL and developers. 3. Complete LDF documents to secure policy framework for future development. 4. Integrated Housing Project to programme 	<p>Corporate Director Environment & Regeneration and Corporate Director ACC</p> <p>Cabinet Members: Miles Hosken and Eric Carter and Jacqui Seymour</p> <p>E&R Portfolio Risk</p>	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<p>support for the level of growth recommended by the West Midlands Regional Assembly (26,500 houses by 2026), as part of the phase 2 revision of the Regional Spatial Strategy</p> <p>8. £14m for affordable housing has been agreed over the next 3 years to be delivered by Integrated Housing Project</p> <p>9. Prioritised focus through Environment Priority Plan.</p> <p>10. Significant proportion of development land in public ownership (HCA).</p> <p>11. Strategic Housing sites established with master plans and outline planning permission in place.</p>		<p>manage housing delivery including Local Investment Plan.</p> <p>5. Seek further funding from Government / public sector agencies for infrastructure / development e.g. Greyhound link.</p> <p>6. Discussions with CLG to agree formation of partnership to deliver growth.</p> <p>7. Implement £14m allocated for affordable housing.</p> <p>8. Secure HCA and Advantage West Midlands (AWM) resources to support proposals for housing and economic growth together with essential infrastructure.</p> <p>9. Develop new Housing & Regeneration Priority Plan (1st draft end March 09).</p> <p>10. Set up Housing & Regeneration Partnership Board with Homes and Counties Agency.</p> <p>11. Board to establish Local Investment Plan to drive housing</p>		

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
						delivery in short and long term. 12. Use NGP funds to pump prime housing delivery.		
6	<p>Insufficient financial resources (both Internal and External) in the medium term to deliver services, priorities and ambitions particularly in the light of the current economic conditions and instability in the financial markets</p> <p>(Description amended Sept 2007 and Sept 2008)</p> <p>(raised June 06).</p>	FIN REP STRAT	9	<ol style="list-style-type: none"> 1. Prudent financial management controls and reporting. 2. Clear and effective service and financial planning processes 3. Early dialogue with members to clarify priorities in the context of the financial outlook for 08/09 budget and there is on-going consultation 4. Developed and implemented programme of corporate projects / work streams designed to identify significant savings through e.g. alternative service delivery models, business transformation and pursuit of additional external funding 5. Received positive RSG settlement for 2008/09 6. Secured specific growth funding from Government. 7. VfM scrutiny group to provide challenge 8. Joint working with other "like" Local Authorities 9. Lobbying strategy and 	8 (prev 7)	<ol style="list-style-type: none"> 1. Maintain effective dialogue with Members with early consideration of implications for later years, especially savings targets. 2. Secure English Partnerships (EP), Housing Corporation (HC) and Advantage West Midlands (AWM) resources through Local Area Agreement (LAA). 3. Improve resourcing for partners through continued lobbying 4. Identify and allocate adequate resource to deliver project outcomes 5. Review capital programme in light of its reliance on asset disposals. 6. Review impact on service demand and income from the current economic downturn. 7. Review impact of inflationary spikes on cost projections 8. Review exposure around Treasury 	<p>Corporate Director Resources</p> <p>Cabinet Member: Adrian Lawrence</p> <p>Resources Portfolio Risk</p>	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<p>campaign advised by Citigate and supported by partners including LGA.</p> <p>10. Achieved BCBC (Black Country, Birmingham and Coventry) City Region approval for West Midlands including Telford and Wrekin</p>		activities.		
9	<p>Failure to regenerate the new town estates.</p> <p>Description amended Oct 2008 and January 2009 (raised June 06)</p>	OP REP STRAT FIN	9	<ol style="list-style-type: none"> 1. Delivery role for Woodside is undertaken by Transforming Telford with Partnership Board and monitoring is in place 2. Established South Telford as a priority within Regional Housing Strategy with support within Regional Housing Board. 3. EP support secured for Woodside 4. Established Integrated Housing Project to support delivery of new housing and related regeneration. 5. Allocated capital funding for Sutton Hill and Brookside (£2m each). 6. Initial Investment proposals have been identified within Borough Towns 	8 (prev 7)	<ol style="list-style-type: none"> 1. Secure longer term Funding for regeneration for South Telford and Borough Towns. 2. Continue Regional / National lobbying 3. Develop and promote Housing Prospectus with key partners through the Integrated Housing Project. 4. Develop a strategic framework for physical regeneration in Sutton Hill and Brookside. 5. To manage the programme to realise the capital receipts required to finance these proposals and to maximise the use of prudential borrowing. 6. Provide effective coordination of regeneration delivery within the Council. 7. Ensure council assets 	<p>Corporate Director Environment & Regeneration</p> <p>Cabinet Member: Eric Carter</p> <p>E&R Portfolio Risk</p>	1,2,3,4,5,6

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				Initiative. 7. Appointment of Strategic Regeneration Coordinator.		are managed effectively to support regeneration.		
38. New Risk	Delivering the Borough Towns Initiative – significant dependence on receipts from land disposal in a declining property market and with increasing financial instability. Proposed new risk – CD E&R – January 2009.	REP FIN PEO OP POL	9	1. Project teams in place for each Borough Town. Project with funding. 2. Regeneration Partnership in place for each Borough Town. 3. Borough Towns Grant Scheme in place. 4. Good working relationship with AWM. 5. Regular project progress meetings with Corporate Director E&R and Leader and Cabinet lead. 6. Development of Partnership working with HCA commenced on future regeneration investment. 7. Established priority within the Economy Priority Plan.	7	1. Review of phasing of projects and priorities to minimise funding problem / borrowing requirement. 2. Secure funding from external partners such as AWM. 3. Monitor development market to ensure optimum value from land sales. 4. Ensure projects are progressed and delivered through effective project management and monitored through the Priority Plans. 5. Maintain effective engagement with local stakeholders. 6. Establish planning status for key development sites. 7. Regular market assessment to ensure viability of development proposals. 8. Undertake site surveys, investigations.	Corporate Director Environment & Regeneration Cabinet Member: Eric Carter E&R Portfolio Risk	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
1	Failure to respond effectively to major disaster or emergency (raised June 06)	OP STRAT FIN REP LEG REG	9	<ol style="list-style-type: none"> 1. Interim structure for Civil Resilience team in place 2. Dedicated Emergency Response Centre in place 3. Local community risk assessments undertaken & agreed risk register is in place with regular reviews 4. SMT has exercised the generic emergency plan 5. Revised generic emergency plan launched August 2008 6. Incident specific plans are in place and are periodically reviewed and updated 7. Activation procedures for Emergency Plan are in place and tested via SF&RS control pager system to an EP duty manager 8. SMT on-call rota 9. Inter-agency liaison structures are in place & functioning (LRF / GWG / sleeping silver) 10. Sleeping silver' has reviewed Operation Tangent plan and agreed significant revisions – ongoing work 11. Crisis Commander software purchased 	7	<ol style="list-style-type: none"> 1. Accommodation review for Pergo House to increase working space and provide work base for civil resilience team 2. Provide appropriate training on Emergency Plan – Training Plan developed and awaiting approval – once Plan implemented the Residual Score will reduce to 6 3. Need to further improve / test communications systems, including role out of phase 2 resilient communications system. 4. Review interim staffing structure at CRT. 	Corporate Director Adult and Consumer Care Cabinet Member: Jacqui Seymour ACC Portfolio Risk	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				and initial training completed.				
37. New Risk	Failure to continue to provide key services in the event of a significant business interruption. Proposed new Strategic Risk – CD ACC – January 2009.	OP STRAT LEG POL PEO	9	<ol style="list-style-type: none"> 1. Existing Corporate BCM plan and governance framework 2. HoS / BMs completed service based BCPs to common framework. Now included within business planning template 3. Project officer – Civil Resilience seconded to progress Business Continuity across Council and ensure processes comply with BS25999 4. BCM Strategy approved by Cabinet Jan 2009 which clearly sets out approach to Business Continuity Management including roles and responsibilities 5. Completed an internal audit of BCPs with agreed actions identified 6. Pandemic flu planning (BCP) event held for the independent sector 7. Procedures for power failures at CO/DH agreed. 	7	<ol style="list-style-type: none"> 1. Complete identification of Priority 1 Services (Jan 2009). 2. Complete Service Area Recovery Strategies for all Priority 1 Services (March 2009) and other Services as soon as possible 3. Implement Strategy. 4. Present new Corporate Business Continuity Plan for approval (March 2009). 5. Provide relevant training on Continuity Plan 6. Exercise elements of the Plan (April 2009) in accordance with BCM Strategy. 7. Review and amend Plan in accordance with BCM Strategy. 	Corporate Director Adult and Consumer Care Cabinet Member: Jacqui Seymour ACC Portfolio Risk	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
29	Land Stability in the Gorge (raised May 07)	FIN REP PEO	9	<ol style="list-style-type: none"> 1. Regular monitoring in place. 2. Lloyds Phase 2 and Lloyds Head Stabilisation scheme is underway and phase 1 is complete. 3. Emergency Plan in place but being reviewed. 4. Lead civil servant appointed to coordinate Government inter departmental group response. 5. Prioritised focus through the Economy Priority Plan. 	7	<ol style="list-style-type: none"> 1. GOWM is assisting with combining efforts for long term funding. 2. Inter-departmental group has a communications plan in place. (to be forwarded). 3. Home Office looking at responsibilities and resilience / response plans (Report due Feb 09). 4. CLG have commissioned AWM to undertake an economic and technical evaluation of work done to date (Report due Feb 09). 5. CLG have commissioned AWM to assess the strength of our case and robustness of funding being sought (Report due Feb 09). 	<p>Corporate Director Environment and Regeneration</p> <p>Cabinet Member: Miles Hosken</p> <p>E&R Portfolio Risk</p>	ALL
5	Failure to deliver an affordable “Beyond Excellence Through People” Strategy <ul style="list-style-type: none"> • Potential significant financial implications for the council to implement the outcome of single status 	OP REP PEO STRAT FIN	9	<ol style="list-style-type: none"> 1. BETP project Team and Governance Structure is in place with Risks identified and being managed. 2. Excellent communication and consultation mechanisms with employees, trade unions and scrutiny. 3. Effective research and 	7	<ol style="list-style-type: none"> 1. Detailed Project plan is in place. 2. Effective budget modelling of Single Status impact. 3. Regular communication updates are being issued via Manager’s bulletin / payslips. 4. On-going review of JE results to ensure there is consistency and Hay 	<p>Corporate Director Resources</p> <p>Cabinet Member: Adrian Lawrence</p> <p>Resources Portfolio Risk</p>	7

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
	<ul style="list-style-type: none"> • Potential significant impact on staff morale • Potential loss of key staff before the outcome of single status is announced and after • Difficulties in recruiting new staff <p>(Raised June 06, Description amended Sept 2007 and May 2008.)</p>			<p>management information around issues such as workforce profile, pay rates.</p> <ol style="list-style-type: none"> 4. Sufficient Job Evaluation expertise has been retained post main phase to complete JE schedule. 5. Member Involvement and buy-in. 6. Trade Union involvement and buy-in. 7. Structured job evaluation process based on national scheme. 8. Monitored and reviewed to timetable. 9. Revised timetable to make it more realistic with JE interviews completed by end of September 07. 10. Dedicated Project Manager appointed. 11. Resources required have been finalised with Directors. 		<p>trial being undertaken and evaluated.</p> <ol style="list-style-type: none"> 5. Complete pay modelling. 6. Attempt to secure agreement of workforce and Trade Unions and Council Members to final plan in terms of pay protection and back dating. 7. Consider a bid to national government for dispensation to capitalise back pay. 8. Introduce systematic support mechanisms for managers and staff. 9. Revise re-deployment policy to include re-skilling and ensure appropriate resources are made available. 10. Negotiate attractive and affordable terms and conditions package. 11. Develop Market Factors Policy. 12. Develop and implementation plan including payroll implications. 13. Independent review recommendations considered and accepted and additional work undertaken. 14. Synchronisation of 		

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
						Single Status with budget planning cycle		
31	<p>Failure to implement Infra-Structure Project on time, within budget :</p> <ul style="list-style-type: none"> Impacts the Business Transformation Programme. Impacts the development of key systems in the council. Impacts on the ability to deliver continuity across the council. Impacts on Revenues and Benefits ability to deliver front line services. <p>(Raised Sept 07 description amended May 2008)</p>	OP REP FIN STRAT PEO INFO	9	<ol style="list-style-type: none"> Project Team in place. Project Board in place with effective governance arrangements including reporting to E-Programme Board Project Plan being finalised Money has been earmarked from Business Transformation Infrastructure Project Contract now awarded to Dell – 12 month implementation period will now commence HoS currently reviewing the DELL proposals 	7	<ol style="list-style-type: none"> Effective implementation of the project. Currently working with DELL to finalise the design of the corporate backup and the replacement of the Revenues and Benefits infrastructure for implementation. Work is scheduled to commence on design of the corporate infrastructure. Need to develop phases 2 and 3 and identify funding. Live implementation scheduled for end February 2009. 	<p>Corporate Director Resources</p> <p>Cabinet Member: Adrian Lawrence</p> <p>Resources Portfolio Risk</p>	ALL
23	<p>Failure to deliver an effective waste disposal service</p> <p>(Raised Sept 06)</p>	FIN REP STRAT	9	<ol style="list-style-type: none"> Effective waste collection system with high levels of re-cycling and general public support Monitoring of performance Waste Disposal Project Team and Project Board in place to consider short and 	7	<ol style="list-style-type: none"> Work with regional partners / agencies to develop local waste services. Continue to develop interim service solution including partnership options. Options will be presented to Members Continue to support 	<p>Corporate Director Environment and Regeneration</p> <p>Cabinet Member: Miles Hosken</p> <p>E&R Portfolio</p>	3

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<p>long term disposal services.</p> <p>4. Initial procurement process legally terminated to allow interim solution supported by recycling.</p> <p>5. External advisors have been brought in to support the procurement process</p> <p>6. Prioritised focus through Environment Priority Plan.</p>		<p>and promote minimisation, re-use and re-cycling of waste</p> <p>5. Funding to meet cost of future waste disposal service being identified.</p> <p>6. Members to determine how to continue to deliver effective service in the long term.</p> <p>7. Interim waste disposal contract to be procured 09/10 – revision to waste management strategy.</p> <p>8. Establish proposals for medium to long term waste disposal and treatment arrangements.</p> <p>9. Pursue joint working opportunities with neighbouring authorities and regional partners.</p> <p>10. Review of long term requirements for procurement to proceed.</p>	Risk	
4	<p>Death or serious harm or neglect of a vulnerable child or adult (Breach of duty of care)</p> <p>(raised June 06)</p>	OP STRAT FIN REP LEG	9	<p>ACC Controls</p> <p>1. Key Staff trained and in place with on-going additional Adult protection training and now fully staffed in Protection of Vulnerable</p>	7	<p>1. Review systems once outstanding post in Contract Compliance is filled</p> <p>2. Further develop MOSS platform for the sharing of information.</p>	Corporate Directors Adult and Consumer Care and Children & Young People	2,5

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<p>Adults Unit (POVA unit.)</p> <p>2. Inspection and Contract compliance (CSCI and BTW)</p> <p>3. Protection of Vulnerable Adults trend monitoring incorporated into Quarterly Performance Board.</p> <p>4. Restructure in ACC strengthens focus in this area.</p> <p>5. Commenced sharing of intelligence in two-way link with CSCI – protocol agreed with CSCI.</p> <p>CYP Controls</p> <p>6. Child Protection Procedures</p> <p>7. Effective Local Safeguarding Board.</p> <p>8. Strong performance measures.</p> <p>9. Multi agency teams in clusters address early intervention.</p> <p>10. Wide ranging training delivered to range of children's service personnel.</p> <p>11. Investment in ICT – laptops and training for Social Workers to improve communication and information sharing.</p> <p>Shared ACC/ CYP</p>		<p>3. Review information sharing protocols between partners as well as internally to ensure that all parties are aware of potential emerging risks or threats to children and or vulnerable adults</p> <p>4. Implement internal adult safeguarding review in conjunction with Shropshire County Council.</p> <p>5. Corporate Director and Cabinet Member ACC undertaking planned series of case file audits.</p> <p>6. ACC case file audit process under review.</p> <p>7. Review current practice against the outcomes of the Haringey inspection and reviews.</p> <p>8. Further develop good practice by implementing where necessary any actions based on Haringey Review.</p> <p>9. Deliver ICT training for social workers.</p> <p>10. Implementation of JAR action plan.</p> <p>11. Local Safeguarding Children's Board to develop further</p>	<p>Cabinet Members: Jacqui Seymour and Stephen Burrell</p> <p>ACC Portfolio Risk and CYP Portfolio Risk</p>	

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				Controls 12. Assessment and Care Management in place. 13. Clear management accountability. 14. Audit and evaluation of practise and records 15. Clear contact points for public and partners. 16. Joint protocols with partners. 17. Implementation of new computer system in C&YP includes sharing of information with ACC and Emergency Duty Team has access to both 18. Ongoing evaluation of the impact of the new computer system in C&YP on information sharing with ACC 19. Actions taken to address recruitment and retention of social workers.		performance monitoring. 12. Corporate Safeguarding Advisory Group terms of reference and membership to be reviewed. 13. Corporate and Portfolio coordination of safeguarding to be updated through Corporate Safeguarding Advisory Group.		
8	Failure to effectively transform the Town Centre (raised June 06, description amended Jan 07, description amended September 2007 and May 2008)	OP REP STRAT FIN	9	1. Town Centre Project Board and Project Team in place working with EP / AWM. 2. Transforming Telford. is the lead delivery vehicle for the Southwater Core Project – Head of Service – Economic Development – Client Officer in Transforming Telford.	7	1. Assess the Regional Spatial Strategy (RSS) retail/office allocations for Telford as part of public examination. 2. Final draft of Central Telford Area Action Plan (CTAAP), preferred options report, to go forward to Cabinet early 2009. 3. Secure public sector	Corporate Director Environment & Regeneration Cabinet Member: Eric Carter E&R Portfolio Risk	1,2,5,6

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				<ul style="list-style-type: none"> 3. Quarterly monitoring of Transforming Telford performance to Cabinet 4. Established priority within T&W and Partners. 5. Hark / Apollo town centre owners have made significant proposals for the Town Centre which have been positively received by the public. 6. Established Planning Project Team within T&W to manage all major applications 7. Project Management and support resources for T&W in place. 8. Project Plan with actions / timetable in place and monitored by Project Board. 9. Prioritised focus through the Economy Priority Plan. 10. Scrutiny management Board reviewed Transforming Telford performance October 2008. 11. Civic Offices put on the market. 12. Economic appraisal for public sector partners to approve completed. 		<ul style="list-style-type: none"> investment from partners (HCA, AWM) to enable Southwater core area project to commence. 4. Planning application for Southwater core area to be submitted May 2009. 5. Review the impact of the economic recession / financial instability on the funding position. 		

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
11	<p>Failure to retain / attract investment and improve skill levels to provide employment for local people</p> <p>(raised June 06) Updated description May 2007. Description amended January 2009.</p>	STRAT REP FIN	9	<ol style="list-style-type: none"> 1. Economic Development Strategy (EDS) in place. 2. Transforming Telford now incorporated and focused on delivering the EDS – Head of Service – Economic Development – Client Officer in Transforming Telford. 3. On-going effective monitoring of Transforming Telford performance. 4. Effective engagement with key partners such as AWM, HCA, LSC and the Business Community via LSP. 5. National lobbying activity ongoing. 6. Work within City Region on skills agenda. 7. Engagement at the regional level in the development of the Single Integrated Regional Strategy (SIRS). 8. Prioritised focus through the Economy Priority Plan. 9. Appointment of Strategic Skills Coordinator. 	7	<ol style="list-style-type: none"> 1. Management arrangements for key projects to be reviewed to ensure delivery of outcomes. 2. Economic strategy to be revised and delivery plan produced to maximise external funding (e.g. from AWM, HCA and LSC). 3. Continue to ensure appropriate representation within regional structures. 4. Effective contribution to emerging Single Integrated Regional Strategy (SIRS). 5. Effective coordination of skills delivery within the Council and effective coordination with delivery partners. 6. Continue effective participation in Sub-National Review Advisory Group (SNRAG) to establish Telford & Wrekin regional role. 7. Seek support through Regional Funding Allocations. 	<p>Corporate Director Environment & Regeneration</p> <p>Cabinet Member: Eric Carter</p> <p>E&R Portfolio Risk</p>	1,6
14	Major breakdown in Community relations and cohesion	OP REP PEO STRAT	9	<ol style="list-style-type: none"> 1. Effective Race, Equality and Diversity (RED) Partnership. 2. Connecting 	7	<ol style="list-style-type: none"> 1. Target specific multi-agency training on Community 	Corporate Director Community Services	1,2,4,5,7

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
	(raised June 06)	POL FIN		<p>Communities Partnership.</p> <p>3. Established Equalities team.</p> <p>4. Diversity training delivered across 3000 staff of LSP.</p> <p>5. Leadership from Leader, Cabinet, Chief Executive and Directors.</p> <p>6. Clear communication structures in place with Partners and the Community</p> <p>7. Liaising with Police on sharing of information.</p> <p>8. Demonstrable recent evidence of effective on-going co-ordination and monitoring of issues that may act as trigger points to the Community and dissemination of these to the relevant agencies – this will be continually reviewed.</p> <p>9. Position statement on Community Cohesion developed.</p> <p>10. Equalities Board Work Programme – reporting to Directors on a quarterly basis.</p> <p>11. Tension monitoring of C&YP template shared with Police on a monthly basis.</p>		<p>Cohesion</p> <p>2. Stronger group to be established at Board level as part of Safer Communities Partnership to facilitate information sharing around cohesion, tension monitoring and prevention of violent extremism. Draft Terms of Reference to be agreed.</p>	<p>Cabinet Member: Stephen Bentley</p> <p>CS Portfolio Risk</p>	

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
				12.LSP group reviewed impact of recent newcomers (Oct 2008).				
2	<p>Failure to deliver all elements of the Building Schools for the Future Programme to re-develop schools for the Borough</p> <ul style="list-style-type: none"> Potential significant financial shortfalls to fund: <ul style="list-style-type: none"> - Secondary - Primary - Leisure - Community Usage - ICT <p>(raised June 06, description amended Jan 07 and Sept 2007)</p>	OP STRAT FIN REP	9	<ol style="list-style-type: none"> Confidence of the Government Clear vision, agreed with the Schools and Governors. Building in capacity to deliver Financial Resources set aside BSF Project Team and Board in place Programme Risks are identified and being managed Strategy for Change Part 1 and 2 have been approved. Stuart Davidson appointed to take a lead in the project for Community Services Procurement through National Framework route. 	7	<ol style="list-style-type: none"> On-going detailed planning Agree School improvement Strategy with Office of the Schools Commissioner Outline Business Case (OBC) is progressing well and the aim is to submit end January 2009. 	<p>Corporate Director Children & Young People</p> <p>Cabinet Member: Stephen Burrell</p> <p>CYP Portfolio Risk</p>	1,2,6
21	<p>Sustaining the capacity of the Council to identify and deliver its ambitions and priorities as a result of:</p> <ul style="list-style-type: none"> Failure to identify clear priorities Failure to 	STRAT REP FIN OP PEO	9	<ol style="list-style-type: none"> Effectiveness of Cabinet and Corporate Management Team Budget strategy and funding proposals 2009/10. Projects are run to the principles of Prince 2 Trained Project Managers within the 	7	<ol style="list-style-type: none"> Deliver actions identified in Priority Plans and identify and seek additional external funding where this has been shown as a need Establish effective and robust governance structure for all projects which demonstrates 	<p>Chief Executive</p> <p>Leader: Andrew Eade</p>	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
	<p>allocate appropriate staffing and financial resources</p> <ul style="list-style-type: none"> • Failure to implement effective project management • Issues with recruitment and retention of key managers. • Failure to implement robust governance and accountability arrangements <p>(raised June 06, description amended January 2008)</p>			<p>Organisation</p> <ol style="list-style-type: none"> 5. Competitive salaries at Senior Levels. 6. Suite of HR policies including recruitment policy 7. Recruitment of Interim staff for key posts 8. People Strategy in place 9. Priority Plans have been endorsed by all Portfolios and agreed by Cabinet (12th May 2008) – these all have details of actions as well as resources identified in them. 10. Actions and lessons learnt from Major Projects Master Class are being implemented. 11. Workforce Development Strategy complete. 12. Meredith Evans Corporate Director Environment & Regeneration heading up People Strategy Group. 13. Political awareness Masterclass held November 2008. 		<p>accountability</p> <ol style="list-style-type: none"> 3. Create greater opportunities for career progression within T&W, talent spotting, etc. 4. Deliver Skills for Life program. 5. Further Masterclasses planned. 6. Implementation of Action Plan relating to CPA and JAR. 7. Priority and Business Plans being refreshed Q1 2009. 		
35	Outcome of Sub National review of economic development and regeneration adversely impacts on	REP OP STRAT FIN	7	<ol style="list-style-type: none"> 1. Local Authority Leaders Board – Andrew Eade represents T&W. 2. Steve Wellings is on a number of key task 	7	<ol style="list-style-type: none"> 1. Continue to ensure the regional structures are fit for purpose 2. Continue to exert influence on the outcomes. 	Chief Executive Leader: Andrew Eade and Cabinet	ALL

Risk No	Strategic Risk Description	Risk Category	Gross Score	Key Controls	Residual Score	Further Actions Required and Timescales	Risk Owner	Corporate Ambitions
	T&W			<p>groups of Chief Executives who are working on this and we are therefore in a position to influence the outcome</p> <p>3. We have contributed at a regional and local level to the current consultation document.</p>		<p>3. Continue to provide information to inform the development process to ensure that the transition is orderly and effective</p>	Member: Eric Carter	

Key to Risk Categories:

REP – Reputation STRAT – Strategic FIN – Financial INFO – Information PEO – People REG – Regulatory
 LEG – Legislative OP – Operational POL – Political.