

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Monday, 6th April, 2009 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 8TH APRIL, 2009

(DEADLINE FOR CALL-IN WEDNESDAY, 15TH APRIL, 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: Councillors R.K. Austin, G.M. Green, and V. Tonks (Opposition Group Leaders);

CB-178 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 23rd March, 2009 be confirmed and signed by the Chairman.

CB-179 APOLOGIES FOR ABSENCE

Councillor W.L. Tomlinson

CB-180 DECLARATIONS OF INTEREST

Councillor R.K.Austin declared a personal, non-prejudicial, interest (as a school governor) in agenda item 5 (Campus Telford & Wrekin...) and remained in the meeting during its consideration.

CB-181 CENTRAL TELFORD AREA ACTION PLAN D.P.D.

Key decision identified as **Central Telford Area Action Plan** in the Forward Plan published on 17 March 2009.

Resolution a) below is a decision for Council – not subject to call-in

Councillor S.Bentley, Cabinet Member: Environment, presented the report of the Head of Planning & Environment that sought approval of the final draft of the Central Telford Area Action Plan in order that it could be submitted to the Secretary of State and progressed towards adoption as Council policy.

The Central Telford Area Action Plan had been prepared in order to provide a planning policy framework against which development proposals in Telford town centre and surrounding areas could be considered.

Prior to formal adoption the document required Full Council approval, followed by publication along with the accompanying Sustainability Appraisal and Consultation Statement for a six week final public consultation and then submission to the Secretary of State. Subject to the document being considered “sound” after public examination, it could then be adopted by the Council.

The draft "Publication" Central Telford Area Action Plan was appended to the report and covered the Telford Town Centre plus the adjacent areas of Central Park, Old Park, Hollinswood and Malinslee.

Key guidelines for the scale and location of new development included: 70,000 sq m of new non-food retail development and 7,000sqm of new food retail, 2,500 new homes (with 2,000 in the town centre where there was currently no housing at all) and 110,000 sq m of office floorspace.

The Area Action Plan sought to be flexible enough to ensure that development proposals were encouraged to come forward, yet robust enough to ensure that development helped deliver the key elements of the spatial vision for the area.

Further Appendices containing a Sustainability Appraisal and Statement of Consultation were also attached to the report for Members consideration.

Throughout 2008, a series of Development Plan Steering Group meetings considered elements of detail concluding with a meeting in December, 2008, at which Members considered the overall approach to the Central Telford Area. The draft "Publication" version of the Central Telford Area Action Plan was then considered by the Development Plans Steering Group on 3 February 2009 and resolved that, subject to specific amendments, the draft Central Telford Area Action Plan be endorsed for consideration by Cabinet and Council. A revised version was considered at a further meeting on 4 March.

During discussion of the report, reference was made to a letter that had been received on the day of the meeting, from representatives of the owners of Telford Shopping Centre. The content of the letter had been disputed by the Council's Planning and Legal Officers and a robust reply would be dispatched accordingly.

Members expressed disappointment at the timing of the receipt of the above letter, but commended the detail of the report and congratulated officers on its production.

The all-party Development Plan Steering Group had examined the documents in depth and Members of the Group at the meeting commented upon the thoroughness of its consideration.

Members wholeheartedly supported the report, and consequently, unanimously

RESOLVED –

- (a) TO RECOMMEND TO COUNCIL to, approve the Central Telford Area Action Plan and supporting documents as attached as Appendices 1-3 to the report, in order that the documents can be**

published, subjected to consultation and, along with representations received, then submitted to the Secretary of State.

- (b) That delegated authority be given to the Head of Planning & Environment, after consultation with the Leader of the Council, the Chairman of the Council's Development Plan Steering Group and the Cabinet Members for Environment and for Regeneration, to agree any minor changes to the document prior to submission to the Secretary of State.

CB-182 CAMPUS TELFORD & WREKIN – Additional Post 16 Provision, Trust School Status and B.S.F. Procurement Approval.

Key Decision identified as **Post 16 Provision for Campus Telford and Transfer of Land to School Trusts** in the Forward Plan published on 17th March 2009.

Councillor S Burrell, Cabinet Member for Children & Young People, presented the report of the Head of BSF, Resources and Social Regeneration that sought approval for the implementation of the establishment of Post-16 provision at four schools in the Borough as per the objectives of Campus Telford & Wrekin. The report also commented on the progress of the Trust School applications for three schools in the Borough, namely Lord Silkin School, Sutherland Business and Enterprise College and Wrockwardine Wood Arts College. Furthermore delegated authority was sought for the Chair of the BSF Project Board (the Director of Children's Services) to approve stages within the procurement process.

Councillor G Green commented that she hoped that when the contracts were let for the construction process, that local materials and labour would be sourced where possible. Assurances were made to that effect.

RESOLVED –

- (a) That the proposals to establish Post-16 provision at The Burton Borough School, Wrockwardine Wood Arts College and South Telford Skills Centre (Lord Silkin and Phoenix pupils) be approved.
- (b) That delegated authority be given to the Head of Asset & Property Management, after consultation with the Head of BSF Resources and Social Regeneration, to negotiate the terms of the transfer of Land and Buildings in each Trust School proposal and delegated authority be given to the Head of Legal Services to execute all necessary agreements and documentation relating thereto.
- (c) That delegated authority be given to the Chair of the BSF Project Board (the Director of Children's Services) to approve stages within the procurement process as set out in paragraph 5.7 of the report.

Key decision identified as **City Region Employment & Skills Multi Area Agreement** in the Forward Plan published on 12 February 2009

Councillor E.J.Carter, Cabinet Member for Regeneration, presented the report of the Head of Economic Development that sought delegated authority for the Corporate Directors for Environment and Regeneration and Children and Young People, after consultation with the Cabinet Members for Regeneration and Children and Young People, to sign off an Employment and Skills Multi Area Agreement.

Members were informed that any group of two or more top-tier (county) or unitary local authorities in England could enter a Multi-Area Agreement (MAA). An MAA was a voluntary agreement between those Authorities and Government to achieve certain collective targets to improve economic prosperity in their local area.

MAA targets were National Indicators which were negotiated collectively but were then included in the Local Area Agreements of participating areas. A draft Multi Area Agreement (MAA) for Employment and Skills had been drawn up by a partnership of the West Midlands Authorities comprising Telford and Wrekin ; Birmingham; Dudley; Sandwell; Walsall; Wolverhampton; Solihull; Coventry; and Warwickshire.

It was considered that the MAA offered the opportunity for greater flexibility in the use of resources to reduce unemployment and improve skills in the Borough, together with the ability to target that activity more effectively at areas of the Borough experiencing the greatest need.

Amended recommendations were tabled that suggested the addition of a financial appraisal of the Agreement and a withdrawal clause should the Council's interests not be met.

During discussion of the proposals, reference was made to the need to build upon peoples skills to develop personal attributes that would enhance the employment market.

RESOLVED – that delegated authority be granted to the Corporate Directors for Environment and Regeneration and Children and Young People, after consultation with the Cabinet Members for Regeneration and Children and Young People, to sign off an Employment and Skills Multi Area Agreement, subject to the following conditions:

- A financial appraisal of the Agreement that demonstrates that Telford & Wrekin's financial interests are protected under the Agreement as proposed
- Agreement by the City Region Board that the Council had the right to withdraw from the Agreement should Telford & Wrekin's interests not be served through delivery of the Agreement.

CB-184 WEST MIDLANDS BIODIVERSITY PLEDGE

Key Decision identified as **West Midlands Bio Diversity Pledge** in the Forward Plan published on 17th March 2009.

Councillor S.Bentley, Cabinet Member for Environment, presented the report of the Head of Planning & Environment, which informed Members of the implications of the Council signing the West Midlands Biodiversity Pledge (A copy of which was appended to the report before Members).

The report outlined the actions the Council had both implemented and had planned to meet each commitment in the pledge; the opportunities for future action; and Implications of signing the pledge

Members were informed that last year, the West Midlands Biodiversity Partnership and West Midlands Local Government Association (WMLGA) established a Biodiversity Pledge (“the Pledge”) as a means of raising awareness of the duties imposed on Local Authorities in Section 40 of the Natural Environment and Rural Communities Act 2006 – commonly known as the ‘Biodiversity Duty’. All Local Authorities in the West Midland region were invited to sign the Pledge.

The Pledge would commit the Council to ensuring that conservation of biodiversity was incorporated into all relevant strategies and plans. That would be delivered through protecting and enhancing priority sites, participating in Local Biodiversity Partnerships, maintaining up to date data (via partnership working) and community leadership.

An initial review, appended to the report, had been carried out to identify both actions already being implemented to meet the requirements of the Pledge and future opportunities. Those were consistent with a number of recommendations from last year’s scrutiny review. As a number had already been implemented the Council was therefore well placed to formally sign the pledge and make a public declaration of its commitment.

Members welcomed the report and hoped that bio-diversity principles could be incorporated into future Council policies.

RESOLVED-

- (a) that approval be given to sign up to the West Midlands Biodiversity Partnership/West Midlands Local Government Association Biodiversity Pledge, to assist in meeting duties under the Natural Environment and Rural Communities Act 2006;**
- (b) That delegated authority be given to the Head of Planning & Environment to sign the Biodiversity Pledge on behalf of the Council.**

CB-185 DEPRIVATION OF LIBERTY SAFEGUARDS

Key Decision identified as **Deprivation of Liberty Safeguards** in the Forward Plan published on 17th March 2009.

Councillor J Seymour, Cabinet Member for Adult & Consumer Care, presented the report of the Corporate Director: Adult & Consumer Care, that informed the Cabinet of new legislation that came into force on the 1st April, 2009 to protect people who lacked capacity to consent to stay in either hospital or residential/nursing home care and of the Deprivation of Liberty Safeguards (DoLS) that needed to be put into place from that date.

Whilst recognising that it may be in the person's best interests for hospitals or care homes to deprive an individual of their liberty, such authorisations would only be legal, where a DoLS assessment had been undertaken to determine that all the relevant criteria set out in the new legislation, applied.

The Council had developed a joint Policy & Procedure with Telford & Wrekin Primary Care Trust (T&W PCT) to ensure compliance with the new legislation and put arrangements in place to meet additional obligations.

It was a complex piece of legislation, which had additional workload implications which should be met from within existing resources, which included a small increase in the Mental Capacity Act specific grant.

RESOLVED –

- (a) **That the requirements of the new legislation be noted**
- (b) **That DoLS Policy & Procedure, as outlined, be approved.**

CB-186 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following items of business on the grounds that they 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-187 RELOCATION OF PUBLIC TOILETS & BUS STOP IN STAFFORD STREET CAR PARK, NEWPORT

Non Key Decision

Councillor E.J.Carter, Cabinet Member for Regeneration, presented the report of the Head of Asset & Property Management that sought approval for the relocation of public toilets on Stafford Street car park Newport to enable the development of the neighbouring derelict site to provide sheltered accommodation

The developers were in discussions with the planning officers to build retirement flats on the adjoining site as indicated on the plan attached to the report. To facilitate the development they had requested the relocation of the existing toilet block and bus pull in area at their expense.

Newport Town Council had indicated their approval in principle to the replacement of the toilet block on the Stafford St. car park, on the condition that: there was no net loss of parking spaces, any new build toilet should be in place and functional before the demolition or closure of the existing facility and that there was no net loss in toilet provision.

The Council intended to sell the existing site and use the proceeds of the sale to fund the building of a new toilet block and the other alterations to the car park.

RESOLVED – that, subject to planning permission:

- (a) The existing toilet block on Stafford Street Car Park be demolished and a new toilet block be built in a new location on the same car park**
- (b) The lease with the Newport Town Council for the maintenance and repair of the toilet block be renegotiated;**
- (c) The land occupied by the existing toilet block and the bus lay-by be sold to the developers identified in the report, to enable the development of retirement flats**
- (d) The Council's Contract Procedure Rules be waived in respect of the requirement to obtain 4 tenders for the contract and authority be given to the Head of Asset & Property Management to let the contract to the identified developers, as detailed in the report, and on terms to be agreed.**

The meeting ended at 5.48 p.m.

Signed for the purposes of the Decision Notices

Ken Clarke
Head of Audit & Democracy
Date: 8th April 2009

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET – 20TH APRIL 2009

2008/09 FINANCIAL MONITORING – SUMMARY REPORT

REPORT OF THE HEAD OF FINANCE

1.0 PURPOSE

To provide Members with the latest Revenue budget and Capital Programme monitoring for 2008/09. This is the final monitoring report for the year prior to the outturn position which will be reported in June.

2.0 RECOMMENDATIONS

Members are asked :

2.1 To note the specific issues highlighted that require management action to ensure the Council's overall position is protected running into 2009/10.

2.2 Note performance against income targets

REVENUE

- **Overall spend is projected to be within budget** – however this is only after taking into account the unused element of the budgeted contingency and benefits from reduced insurance premiums and treasury activities. Approval was given as part of the 2009/10 budget strategy for £1.2m of the treasury surplus to be set aside for the additional 2009/10 budget contingency and to provide funding for the Credit Crunch Initiatives.
- **The main changes from the last monitoring report are shown below:**

	£m	£m	
9 th Feb financial monitoring		-0.341	Projected underspend
Treasury additional surplus	-0.700		
- increased contribution to 2009/10 contingency from £0.7m to £1m	+0.300		Approved as part of the 2009/10 budget strategy
Credit Crunch funding 08/09 spend	+0.200		Approved as part of the 2009/10 budget strategy
Single Status project team	+0.100		
		-0.100	
Service Changes			
- Winter Maintenance		+0.080	
- Concessionary fares		-0.100	
- Homelessness –subsidy/temp accomm.		+0.108	
- Coroner		+0.010	
- Children & Families		+0.117	
- Specialist Education		+0.070	
- Other		-0.130	
Current projected Year End Position		-0.286	Projected underspend

- **Pay Award** –the 2008/09 pay award has now been settled by ACAS which has ruled an increase of 0.3% above the 2.45% offer. This equates to around £0.150m – it has been agreed that services will absorb this increase.
- **Service Pressures are evident** – the economic downturn, inflation and instability in financial markets have all impacted on the projected position. Additional recessionary impacts are emerging which will affect 2009/10 budgets.
- **Other key pressures** – include **Specialist Education**, with an overspend of £0.730m, being offset by use of one off monies; **Looked After Children**, with an overspend of £0.490m; **Street Lighting** energy/inventory costs; and **Care Package** costs in ACC.
- **The revenue position is summarised below** with further detail available in the overall report and appendices.

Portfolio	Service Pressures	Council Wide Pressures	Total Variations	Change in Variation from Last Cabinet Report
	£m	£m	£m	£m
Children & Young People	0.275	0.000	0.275	+0.101
Environment & Regeneration	0.192	0.263	0.455	-0.030
Adult & Consumer Care	0.000	0.000	0.000	0.000
Resources	-0.015	0.216	0.201	0.026
Community Services	0.000	0.008	0.008	-0.002
Chief Exec/Policy	0.007	0.010	0.017	-0.008
Corporate	0.000	-1.242	-1.242	-0.032
Total	0.459	-0.745	-0.286	+0.055

CAPITAL

- **Spend is currently £52.8m** against a total capital programme of £77.6m i.e. 68%
- **A key area to monitor is delivery of the capital receipts** for the Railfreight and Borough Towns Initiative programmes against the revised phasing agreed in the budget .

INCOME COLLECTION

	Feb 2009 Actual	Feb 2009 Target	Feb 2008 Actual	Performance
Council Tax Collection	96.35%	96.46%	96.36%	0.11% behind of Target
NNDR Collection	96.41%	98.23%	97.94%	1.82% behind Target
Sales Ledger – General Income	4.05%	2.80%		1.25% outside target
Sales Ledger ACC Income	2.50%	4.50%		2.00% inside target

TELFORD & WREKIN COUNCIL**CABINET – 20TH APRIL 2009****2008/09 FINANCIAL MONITORING –MAIN REPORT****REPORT OF THE HEAD OF FINANCE****1.0 PURPOSE**

To provide Members with the latest Revenue budget and Capital Programme monitoring for 2008/09. This is the final monitoring report for the year prior to the outturn position which will be finalised in June.

2.0 RECOMMENDATIONS

Members are asked :

2.1 To note the specific issues highlighted that require management action to ensure the Council's overall position is protected running into 2009/10.

2.2 Note performance against income targets

3.0 SUMMARY**3.1 REVENUE**

The gross revenue budget for 2008/09 is over £366m - net budget for reporting purposes just over £117m. Current projections show spend within budget however this is only after taking into account the unused element of the budgeted contingency and benefits from reduced insurance premiums. There is also a significant benefit in 2008/09 from treasury activities and approval was given as part of the 2009/10 budget strategy to set aside £1m for the additional 09/10 budget contingency and £0.2m to fund the credit crunch initiatives. The £0.700m balance remains as a benefit in 2008/09.

Service pressures are evident and the economic downturn, inflation and instability in financial markets have all impacted on the projected position. Additional recessionary impacts are emerging which will affect 2009/10 budgets. The 2008/09 pay award has now been settled at 0.3% higher than the employers 2.45% offer; this will add around £0.150m to costs and it has been agreed that service budgets will absorb the additional cost.

Costs pressures in Children & Young People Portfolio, Children & Families, currently projecting £0.490m overspend, and Specialist Education, with an overspend of £0.730m are being reported. The Portfolio is using significant one-off funds in 2008/09. If pressures continue, there is an ongoing, unfunded pressure in 2009/10 which CYP will have to contend with.

Not surprisingly, the overspend relating to winter maintenance has increased to £0.130m and may increase further if more stocks of salt are required.

Other key areas which will require close monitoring are the impact of using B&B accommodation for homelessness cases and other costs associated with temporary accommodation, rising ALD/Mental Health purchasing/care costs plus the general impact of inflation across the Council's budget.

3.2 CAPITAL

The approved 2008/09 capital programme totals £77.6m. Spend is £52.8m (68%). The key area of concern is 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 is underway.

3.3 INCOME MONITORING

Council Tax collection to date (£57m to collect for the year) has dropped below target for the first time this year. Collection performance for Business Rates (£64m) and sales ledger income (£44m) are also below target. This is a clear impact of the economic downturn and comparisons with other Local Authorities indicate that similar issues are being experienced nationally.

4.0 PREVIOUS MINUTES




- 4.1 06/03/08– Full Council, Service & Financial Planning Report
- 28/07/08 – Cabinet, 2008/09 Financial Monitoring
- 27/10/08 – Cabinet, 2008/09 Financial Monitoring
- 09/02/09 – Cabinet, 2008/09 Financial Monitoring
- 05/03/09 – Full Council, Service & Financial Planning Report

5.0 2008/09 REVENUE BUDGET






- 5.1 Detailed variations are listed in Appendices I and II and are summarised in the table below. This currently shows a projected underspend for the Council as a whole but only after taking into account the unused element of the budgeted contingencies and benefits arising from treasury management and reduced insurance premiums which are offsetting growing pressures on service budgets.
- 5.2 All projected service variations fall to portfolios to cover from their balances or offsetting areas of underspend under their control.





Portfolio	Service Pressures £m	Council Wide Pressures £m	Total Variations £m	Change in Variation from Last Cabinet Report £m	Cumulative bwfd Service Balances 31/03/08 £m
Children & Young People	0.275	0.000	0.275	+0.101	+0.304
Environment & Regeneration	0.192	0.263	0.455	-0.030	(0.232)
Adult & Consumer Care	0.000	0.000	0.000	0.000	(0.258)
Resources	-0.015	0.216	0.201	0.026	(0.480)
Community Services	0.000	0.008	0.008	-0.002	(0.256)
Chief Exec/Policy	0.007	0.010	0.017	-0.008	(0.093)
Corporate	0.000	-1.242	-1.242	-0.032	
Total	0.459	-0.745	-0.286	+0.055	(1.015)

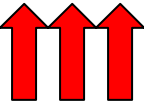


5.3 Only the larger projected variances (those over £100k) are highlighted separately below by portfolio alongside a brief summary of each portfolio's position, while full detail on all variances over £50k is shown in Appendices I and II:




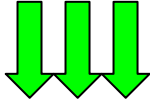

Key			
£0 to £100k	↑		Projected underspend
£100+to £250k	↑↑		Projected overspend
£250+to £500k	↑↑↑		Projected on budget
over £500k	↑↑↑↑		





Portfolio	Projected Variation £m [movement from last report]	
CHILDREN & YOUNG PEOPLE		
Overall the Portfolio is showing a projected overspend of £0.275m for 2008/09. Costs relating to Children & Families and Specialist Education continue to be the key pressure areas being reported. The Portfolio is using £0.750m balances and one-off monies in 2008/09 which is not sustainable on an ongoing basis.		
Other pressures highlighted relate to increased costs associated with transport provision and catering costs. As mentioned these are being offset through the use of one-off balances and other underspends across the Portfolio.		

<p>There is continued pressure in Children & Families (LAC) which led to significant overspends in 2007/08 and is currently projecting £0.490m over budget. This includes £0.317m relating to the Looked after Children Service and £0.261m due to the use of agency staff covering for vacant social worker posts. The Portfolio expects the position to worsen by outturn as significant numbers of children and coming into the system during March. The cost also depends on the type of placement being provided (residential, external foster care) so although numbers may decrease over the next few months, costs may not automatically follow. If the trend continues this is an area of concern for 2009/10.</p>	<p>+0.490 [Increase]</p>	
<p>Specialist Education – Additional specialist support required in the Primary sector.</p> <p>Specialist Education – Additional care for specific cases.</p>	<p>+0.220 [Overspend Increased]</p> <p>+0.510 [Overspend Increased]</p>	 
<p>Transport –indications are that the Post 16 Travel scheme will overspend due to a combination of a shortfall in contributions from stakeholders and increased costs from the provider. There is also additional pressure on the Home to School Transport budget resulting from the reletting of contracts. Changes to the scheme have reduced the overspend previously reported.</p>	<p>+0.100 [Overspend Increased]</p>	
<p>Use of balances/One Offs – one off balances are being used by CYP to offset service overspends.</p> <p>Education One off Balances C& Families One off Balances Connexions for Youth</p> <p>This can only be a short-term measure in the long-term the Portfolio has a significant pressure to manage.</p>	<p>-0.535 -0.215 -0.150 [Increased]</p>	

ENVIRONMENT & REGENERATION		
<p>The Portfolio is currently showing a projected service overspend of £0.192m for 2008/09 which is less than previously reported. Pressures identified include reduced planning fee and section 106 income and public enquiry costs which will all more significantly impact on 2009/10 budgets. The enquiry relates to the planning application for opencast mining in Lawley. Estimated costs range between £0.250m to £0.500m depending on the ruling - the majority of this will fall in 2009/10.</p> <p>There are benefits arising from recycling and reduced rent for Darby House.</p>		
<p>Street Lighting – is the key pressure so far for 2008/09.</p> <p>Inventory – increased costs relating to an issue with the inventory of signs and lights, calculated by Central Networks. Settlement of backdated claims has now been agreed and is included within this figure.</p> <p>An increase in energy costs of 59.9% gives rise to an overspend of £232,000 in 2008/09.</p>	<p>+0.180 [Unchanged]</p> <p>+0.232 [Unchanged]</p>	<p></p> <p></p>
<p>Concessionary Travel - £0.100m benefit as take-up is lower than anticipated. This level of underspend is unlikely to be ongoing, particularly with the extension of the scheme to 9am start.</p>	<p>-0.100 [Increased Benefit]</p>	<p></p>
<p>Waste - £0.260m benefit arising from improved recycling which offsets £0.100m in relation to the waste procurement project.</p>	<p>-0.260 +0.100 [Unchanged]</p>	<p></p>
ADULT & CONSUMER CARE		
<p>Overall the Portfolio is projecting to be within budget at year end which is in line with the last report.</p>		

<p>Care Packages – continuing from 2007/08, provision of care packages is a key pressure and is being closely monitored. The issue arising in the current year is the cost of care packages relating to Adults with Learning Disabilities and Mental Health Clients. The total overspend is in line with the last report but there is a slight increase in Mental Health care costs and a decrease in the costs relating to Older People. Demand for services suggests that cost may increase further in all client groups but most significantly ALD. Additional funding of £1.2m has been approved for 2009/10 to meet future provision and demand.</p>	<p>+0.310 [Reduced Overspend]</p>	
<p>Older People/Mental Health/PSD – Assessment & Care Management – underspends arising from vacancies due to difficult recruitment conditions which exists nationally; it is hoped that implementation of a strategy to deal with this issue will result in filling vacant posts. The forecast costs for the last quarter are reflected.</p>	<p>-0.200 [Increased Underspend]</p>	
<p>Supporting People - £0.110m benefit is now projected which will support the purchasing budgets.</p>	<p>-0.110 [Reduced Benefit]</p>	
<p>RESOURCES</p>		
<p>The Portfolio is currently projecting spend to be within budget for 2008/09 and has no major variances to report.</p>		
<p>CHIEF EXEC./POLICY</p>		
<p>The Portfolio is currently projecting spend to be within budget for 2008/09 and has no major variances to report.</p>		
<p>COMMUNITY SERVICES</p>		
<p>The Portfolio is projecting to be within budget by year end. Pressures arising from the increased costs of gas and electricity within Leisure Services currently show an overspend of £0.177m and this is being mitigated through underspends across the rest of the Portfolio. There is also a shortfall of income of £0.122m across the various leisure sites – another impact of the economic climate.</p>		

CORPORATE PRESSURES		
A number of corporate pressures are highlighted including reduced income from land charges (search fees) which is exacerbated by the current economic climate, winter maintenance costs and coroner costs.		
Single Status – the single status agreement is effective from 1 st April 2007, however the process is still some way from final resolution. The 2007/08 accounts were closed using an estimate of the likely cost (based on 4% of the relevant pay bill) and the actual cost the Council will have to bear will depend on the final agreed package. There will be additional project costs relating to delays in the process and it is proposed that these are met from the Treasury savings identified.	+0.100	
Housing & Council Tax Benefit – use of Bed & Breakfast accommodation for homelessness cases cost the Council £0.491m in unrecoverable subsidy in 2007/08 (£0.327m in 2006/07). The trend is continuing in 2008/09. Actions to significantly reduce the need for B&B use are being implemented by Adult & Consumer Care. However, the current economic climate may lead to an increase in homelessness in the medium term and the overall position therefore needs close monitoring. 2007/08 outturn exceeded budget by over £160k as the position worsened in the last quarter of the year; an additional £0.100m was included in the 2008/09 base budget for this pressure.	+0.331 [Overspend Increased]	
Asset & Property Management – part year loss of income arising from voids in the Property Investment Portfolio. Opportunities to relet are being reviewed.	+0.151 [No Change]	
Insurance – savings have been achieved from the renewals process following the 2008/09 tender; this is net of the £50k savings target included in the 2008/09 budget	-0.350 [No Change]	
Treasury – benefits from slower than anticipated cash flow together with investment opportunities taken at favourable interest rates and debt rescheduling activities (net of	-0.700 [Increased Benefit]	

<p>£1.2m set aside for the 2009/10 contingency and credit crunch initiatives). This could increase further as we go through year end and depends on the position of financial markets at 31st March together with the potential benefits arising from the capital accounting changes.</p>		
<p>Inflation – the Government’s measure of inflation, the latest Consumer Price Index (CPI) is 3.2% (Feb) compared to 3% in April and a peak of 5.2% in September.</p> <p>The 2008/09 pay award has now been settled at 0.3% above the 2.45% offer; this will add around £0.150m to costs.</p>		
<p>Winter Maintenance – projected overspend on winter maintenance budget due to the harsh weather conditions.</p>	<p>+0.130 [Increase]</p>	
<p>Land Charges – a shortfall in fee income due to a reduction in the number of searches exacerbated by the current economic climate.</p>	<p>+0.142 [Marginal increase]</p>	
<p>Contingency – uncommitted balance</p>	<p>-0.747 [Unchanged]</p>	

5.4 Contingency

The 2008/09 budget includes combined contingencies of £1.168m which are set aside to meet any unforeseen expenditure. The following shows commitments against this which have received formal Cabinet approval:

	2008/09 £m	2009/10 £m	Ongoing £m
General Revenue Contingency	0.968	0.968	0.968
Capital Contingency	0.200	0.200	0.200
Total Opening Contingency Available	1.168	1.168	1.168

Approved Commitments:

Railfreight	0.145	0.431	0.193
External Audit Fees	0.133	0.028	0.028
Shropshire Business Awards	0.010	0.000	0.000
Wappenshall –Canal Trust.	0.010	0.036	0.036
Town Centre	0.018	0.077	0.000
Homelessness Strategy Pilot Scheme	0.050	0.000	0.000
Health Service Strategic Service Plans – to match funding provided by Scrutiny	0.010	0.000	0.000
Woodside Centre – loss of PIP rental associated with centre redevelopment	0.045	0.000	0.000
Total Approved Commitments	0.421	0.572	0.257
Balance in Contingency	0.747	0.596	0.911

6.0 2008/09 CAPITAL PROGRAMME

The capital programme for 2008/09 totals £77.6m. Expenditure was 63% of budget at the time of compiling this report. A number of key issues are highlighted below

	2008/09 Approved Budget £m	2008/09 Expenditure To Date £m	%	2008/09 Projected Expenditure £m
Adult & Consumer Care	4.990	3.517	70.48	4.592
Building Schools for the Future	1.814	1.012	55.81	1.279
Children & Young People	16.822	14.415	85.69	17.813
Environment & Regeneration	47.775	31.082	65.06	33.074
Community Services	2.833	1.315	46.42	2.784
Resources/ Council Wide	3.392	1.475	43.49	3.392
Total	77.626	52.816	68.04	62.935

6.1 Borough Towns Initiative

The significant dependency of this programme on capital receipts as the economy moves further into recession has been reviewed as part of the budget process and receipts reprofiled plus additional borrowing funded.

6.2 Railfreight

The project funding assumes realisation of significant land receipts which have been reprofiled as part of the budget process. Wrekin Construction, the main contractor, have gone into administration. Given that the project is substantially complete the impact of this will not be as significant, however there is undoubtedly an implication. An initial assessment has been undertaken with the requirement for some immediate work to be undertaken in order for the lease to be formally handed over to the rail operator in accordance with the timetable, amounting to £30k. A further detailed review is underway and a full report will be brought to Cabinet and will include an assessment of any financial implications.

6.3 Ironbridge Gorge

An offer has been received of some additional funding towards the production of the Ironbridge Gorge World Heritage Site Design Guide (see below). This piece of work has been approved through the Ironbridge Task Force Group and is due to be completed in 2009/10. The funding is to be provided by English Heritage in 2008/09 and will be held in a balance sheet account subject to Cabinet approval. The Council contribution has been approved through the Ironbridge Borough Town capital programme.

	<u>£'000</u>
English Heritage	12.0
Shropshire County Council	2.5
Bridgnorth District Council	5.0
Telford & Wrekin Council	5.5
Total	25.0

6.4 ERDF End of Programme Audits

The delivery deadline for the ERDF portfolio of projects was 31st December 2008. The Package Management Team and E&R Finance (Projects) Team are now in the process of formally closing down the programme. This includes all projects being audited and certified by KPMG. Due to a delay in GOWM and CLG finalising the process, an element of audit fees relating to previous years, which would have attracted ERDF grant will now fall on the Council as it has taken place after the 31st December deadline for eligible expenditure. The estimate for KPMGs fees for this work is £40,000. This is included as a revenue overspend in Appendix I.

6.5 BSF Project Costs

In order that the BSF Outline Business Case proceeds it is a requirement to confirm that the project costs are fully funded. A residual gap of £0.400m exists and it has been envisaged for some time that a corporate contribution would be appropriate given the

Leisure and Community aspects of the project. It is proposed that this is funded from the contingency over 2008/09 and 2009/10, depending on resource requirements – the capital accounting changes to be implemented during the 2008/09 closedown are a potential funding source.

7.0 CORPORATE INCOME MONITORING

7.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve stretch targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. It should be noted that the Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

7.2 Council Tax

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

Year end performance 2007/08	97.93%
Target for 2008/09	98.00%

Performance is cumulative during the year and expressed against the complete year's debit. Performance to the end of February is:

Month End Target	Month End Actual	Last year Actual
96.46%	96.35%	96.36%

Council Tax collection has dropped below last year's performance this year's expectation for the first time this year. Collection has dropped by 0.01% compared to this time last year, and is 0.11% behind the monthly target set in order to achieve the year end target. The national economic situation appears to now be having an effect on the collection of Council Tax, like Business Rates. The Customer Contact Centre is now giving, since the start of February, debtors this opportunity to try and alleviate current financial worries and this has clearly impacted on collection. A similar position is being reported nationally.

	Jan 2009	Jan 2008
No. of properties	67870	67396
Debit	56,845,499	54,533,600

Although there is an increase in the number of properties, this is less than we would have expected for the borough from previous projections.

7.3 NNDR-Business Rates

The % of business rates for 2008/09 only, that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year end performance 2007/08	99.00%
Target for 2008/09	99.00%

Month End Target	Month End Actual	Last year Actual
98.23%	96.41%	97.94%

NNDR collection is now 1.82% behind target this year, and 1.53% behind performance this time last year. This has now been behind target for several months and in the current economic climate it is likely to continue.

From 1st April 2009 new legislation will be in force which will allow businesses that are empty with a Rateable Value of less than £15,000 to receive 100% relief. Amendments to small business rate relief will also assist businesses with a Rateable Value below £15,000. However, larger units such as industrial premises will still have a full charge for empty premises after an initial 6 months 100% relief period. It is these premises such as these which are struggling to pay the empty property rates.

Through CIPFA we have canvassed other Local authorities and they are reporting a similar position to ours. Not only is collection suffering but there are a significantly higher number of businesses that are no longer trading.

	Jan 2009	Jan 2008
No. of properties	4519	4467
Debit	63,423,776	58,100,556

7.4 Sales Ledger

Recovery processes for other income due to the council vary between income billed by Social Services (just under £20m a year) and the rest, which is around £20m a year. Debt below 2 months old is classified as a normal credit period, the more we collect income at the point of delivery or customer service request in future rather than raising bills; the more we reduce collection costs and improve cash flow. Target percent are set relating cumulative debt outstanding from all years to the current annual debit. The current targets and performance of the general income collection are as follows:

Age of debt	Target %	Feb 2009	
		£m	%
2-6 months	0.90	0.439	2.15
6-12 months	0.80	0.168	0.82
Over 12 months	1.10	0.222	1.08
Total	2.80	0.829	4.05

The overall outstanding Sales Ledger debt is 1.25% outside target, which is actually an improvement on last month by 0.67%. The worst debt age category that is affecting the bottom line position remains the 2-6 months. This is 1.25% outside of target, which is 0.53% better than last month. The main reason for this is still a number of invoices being placed on hold whilst issues are resolved by service areas and invoices waiting to be credited by the originators. We are working on reducing these on hold cases, expediting credits and trying to ensure invoices are raised when appropriate. The 6-12 month category remains marginally outside target by 0.02% which is a 0.02% improvement on last month. The over 12 month category now is within its target by 0.02%, which is an improvement on last month by 0.06%, Debtors appear to be querying and challenging invoices more. Going in to March we expect more such issues and also an increase in invoices to ensure they are raised within the 2008/9 financial year and offset against service areas budgets.

Adult & Consumer Care - recovery of these debts – usually from vulnerable clients - has to be handled carefully and is often complex, which is the experience of many Local Authorities. In some cases, the amounts outstanding are secured by legal charges on property, which cannot be realised until properties are eventually sold. Overall arrears are within target and a dedicated resource has been identified to continue to closely monitor and review this area.

	Target	Target	Actual	
	£000	%	February	February
			£000	%
2-6 months	222	1.0%	85	0.4%
7-12 Months	136	0.6%	92	0.4%
> 12 months	646	2.9%	366	1.7%
	1,004	4.5%	543	2.5%

8.0 OTHER CONSIDERATIONS

Equality & Diversity

There are no implications directly arising from this report.

Environmental Impact

There are no implications directly arising from this report

Legal Comment

Regular financial monitoring forms part of the assurance for strong financial management. Section 28 of the Local Government Act 2003 makes it a statutory duty for Local Authorities to monitor their

income and expenditure against budget, and to take action if overspends or shortfalls in income emerge.

Links with Corporate Priorities

Good financial monitoring forms part of building a Modern, Effective Council.

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.

Financial Implications

The financial implications are fully detailed within the report.

Ward Implications

District Wide Implications

9.0 BACKGROUND PAPERS

2008/09 Budget Strategy / Financial Ledger reports

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