

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Tuesday, 7th December, 2010 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON MONDAY, 13th DECEMBER, 2010

(DEADLINE FOR CALL-IN: THURSDAY, 16th DECEMBER, 2010)

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

ALSO PRESENT: Councillors R.K. Austin, G.M. Green and V. Tonks (Opposition Group Leaders)

CB-97 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 23rd November, 2010 be confirmed and signed by the Chairman.

CB-98 APOLOGIES FOR ABSENCE

Councillor E.J. Carter

CB-99 DECLARATIONS OF INTEREST

Councillor S.P. Burrell declared a personal and prejudicial interest in relation to Agenda item 4 – Direct Payments Policy, and stated that he would withdraw from the meeting during consideration of that item

CB-100 DIRECT PAYMENTS POLICY

Councillor Burrell withdrew from the meeting room.

Key Decision identified as **Review of Direct Payments Policy and Procedure for Community Care Services** in the Forward Plan published on 16th November 2010.

Councillor J.M. Seymour, Cabinet Member: Adult Care & Support, presented the report of the Social Care Specialist that provided Members with an update of changes to the Direct Payments Regulations and proposed amendments to the Council's Direct Payments Policy.

Direct Payments were monetary payments made by Councils directly to individuals who have been assessed as having eligible needs for social care services. At the end of 2009, new Regulatory Guidance was issued to reflect changes in legislation and policy. The broad effect of the guidance was to

extend the current Direct Payments system and to remove exclusions that had previously applied to people who were subject to various provisions under mental health legislation.. With certain exceptions, Councils now had a duty to make Direct Payments in respect of a person lacking capacity, provided that there was a willing “suitable person” who met all the conditions set out in the Regulations. Payments could be made to the suitable person, who would receive and manage the payments on behalf of the person who lacked capacity.

As a result of the new Guidance, officers had been working to the new Regulations whilst a review of the Council’s Policy and Procedure was undertaken. Amendments had been made to the Policy to reflect the Guidance, and greater clarity had also been given about the Council’s responsibilities for people who were in receipt of a Direct Payment and who chose to live in another country. A copy of the draft revised Policy was appended to the report. The Procedure Guidance for staff had also been reviewed and updated to take account of the changes in national and local policy. If approved, it was proposed that the revised Policy be subject to a short period of consultation to be undertaken through service user advocacy organisations.

In response to a question regarding monitoring of direct payments, the Cabinet Member advised that monitoring did take place to ensure that clients were spending their payments on services and goods that were appropriate to meet their eligible needs.

RESOLVED –

- (a) that the amendments to the Direct Payments Policy, in order to reflect the changes introduced by the Department of Health, be approved;
- (b) that authority be delegated to the Director of Adult Social Services, in consultation with the Cabinet Member for Adult Care & Support, to approve a final version of the Policy following a short consultation through Advocacy Organisations and Partnership Boards.

CB-101 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-102 PROVISION OF INTERMEDIATE CARE BEDS

Key Decision identified as **Contract Awards for Intermediate Care Residential/Nursing Care Beds** in the Forward Plan published on 16th November 2010.

Councillor J.M. Seymour, Cabinet Member: Adult Care & Support, presented the report of the Head of Care & Support which informed Members of the outcome of the tender process for the provision of residential Intermediate Care beds.

The provision of Intermediate care was an important element in alleviating pressures in the local social care and health systems, such as prolonged hospital stays and avoiding long-term residential care. The service was jointly funded with the Primary Care Trust through a pooled budget arrangement. The existing service provision was for ten intermediate care beds, with the contract due to expire on 31 March 2011. A formal, competitive tendering process, in accordance with the Council's contract procedure rules, had been undertaken for a new five year contract from 1 April 2011. One tender had been received in response, and further details were provided in the report.

RESOLVED –

- (a) **that the award of tender for the provision of Intermediate Care beds following a competitive tendering process be endorsed;**
- (b) **that a 5 year contract (with the option to extend for a further three years subject to satisfactory performance) be awarded to the preferred provider in accordance with the Council's Constitution and subject to the terms and conditions recommended by the Head of Governance;**
- (c) **that authority be delegated to the Head of Care & Support, following consultation with the Cabinet Member for Adult Care & Support, to enter into the contractual agreement;**
- (d) **that authority be delegated for the Common Seal of the Council to be affixed to the resulting contractual documentation as, in the opinion of the Head of Governance, is appropriate under Part 4 of the Constitution.**

CB-103 BOROUGH TOWNS INITIATIVE – OAKENGATES REGENERATION

Key Decision identified as **Oakengates Regeneration** in the Forward Plan published on 16th November 2010.

Councillor S.M. Kelly, Cabinet Member: Efficient, Community Focussed Council, presented the joint report of the Head of Property & ICT and the Head of Environmental Services which set out proposals for the regeneration of Oakengates, as part of the Council's overall Borough Towns Initiative programme.

An outline regeneration framework for Oakengates had been developed through extensive public consultation and design workshops, which had

identified a range of opportunities to support development, provide public open space and improve access and movement through the town centre. The key proposals were for:

- a new 4,000 sq ft single storey retail store with adjacent car parking and a redesigned bus station;
- improvements to public realm in Market St/Oxford St, including junction improvements at Market St/Lion St.;
- a new Theatre approach, including an expanded Theatre Square between The Place and Market St to provide an opportunity for the Theatre to play a more prominent role in the local economy and community.

Details of the proposed works were contained in the report, and included the proposed acquisition and demolition of certain properties in order to facilitate the delivery of public realm improvements. There was a planned budget of £3.1m for the regeneration proposals, and details of the funding arrangements within the Council's capital programme were outlined in the report.

The Cabinet Member added that a meeting had been held with Oakengates Town Council the previous week, and the Town Council had fully endorsed the proposals.

During the ensuing discussion, comments were raised by Councillor R K Austin (Labour Group Leader) regarding the need for sequential development and that young people should be fully involved and consulted on the plans for the expanded use of the Theatre Square. In response, the Cabinet Member advised that a number of workshops and walkabouts had been held with local people and their representatives to get their views on the design of the Square and its potential uses. Local people would continue to be fully involved in the regeneration of the area. Councillor V Tonks (TAWPA Group Leader) stated that the experience from developments in other Borough Towns could also be valuable for the implementation of the Oakengates scheme. A number of Members also congratulated Cllrs Carter and Kelly and the Officers who had worked on the regeneration proposals.

RESOLVED –

- (a) that the investment in new retail premises in Oakengates be approved, and authority be delegated to the Head of Property & ICT to agree terms of a lease and let all contracts, within approved budgets, as detailed in the report;**
- (b) that the funding package outlined at Paragraph 6 of the report be approved as part of the overall capital programme submitted for Council approval as part of the 2011/12 budget process;**
- (c) that authority be delegated to the Head of Property & ICT to acquire property (as identified in the report) and demolish the properties to facilitate the delivery of public realm improvements;**

- (d) that authority be delegated to the Head of Governance to agree and execute all necessary documentation to give effect to the resolutions above;
- (e) that authority be delegated to the Head of Environmental Services, in consultation with the Cabinet Members for Housing, Regeneration & Prosperity and Environment & Rural Area, to let a contract, within approved budget limits, for delivery of priority public realm and junction improvements, as outlined in the report.

CB-104 CONTRACT FOR BAILIFF SERVICES/DEBT RECOVERY

Key Decision identified as **Contract for Bailiff Services/Debt Recovery** in the Forward Plan published on 16th November 2010.

Councillor S.M. Kelly, Cabinet Member: Efficient, Community Focussed Council, presented the report of the Head of Customer Services, Leisure & Libraries regarding the Council's contract with an external company for the supply of debt recovery and bailiff services.

The contract was due for renewal in March 2011, and it was proposed to re-tender the contract in order to build on the existing provision and to test the market for a quality and cost effective service. The contract period was for 3 years, with the option to extend by a further year. Further information on the tendering process was set out in the report.

RESOLVED – that authority be delegated to the Head of Customer Services, Leisure & Libraries, following consultation with the Cabinet Member: Efficient, Community Focussed Council, to proceed with an OJEU tender process and award the contract to the successful supplier.

The meeting ended at 5.22 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Head of Governance
Date: 13th December 2010

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET – 11 JANUARY 2011

SERVICE AND FINANCIAL PLANNING 2011/12 TO 2013/14

REPORT OF THE CHIEF EXECUTIVE AND THE CHIEF FINANCIAL OFFICER

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

This report sets out a proposed service and financial planning strategy for the period 2011/12 to 2013/14 with specific budget proposals for 2011/12 and a schedule of planned engagement and consultation activities with the community around the strategy.

Following the Comprehensive Spending Review (CSR) announced in October 2010 it has been clear that the level of Government grant funding for the Council for the next few years would be facing significant grant reductions in both cash and real terms as the Government seeks to bring the national budget back in to balance following the impact of the financial crisis and recession.

The provisional grant settlement for local authorities was finally announced on 13th December, later than usual and some detail is still awaited. For this Council, Government grants for day to day services have been reduced by £13.6m next year in cash terms. This equates to over 50% of the expected grant reductions that we will need to make over the 4 year CSR period. A further reduction in grants of over £5m has also been announced for 2012/13. This is on top of £3m grant reductions already made as part of the Government's emergency budget measures during the summer- a total reduction of over 16% in non Education funding by next year. The Government have announced a major review of the local government finance system and so have not released grant allocations for 2013/14 or 2014/15 and projections for these years are therefore subject to significant uncertainty. Figures for education funding have been announced for 2011/12 only as a review of financing of Education will be undertaken next year.

The grant settlement continues the use of a damping mechanism which will result in around £4.3m in extra grant reductions for the Council next year. This is included in the totals above but is funding that Government has calculated should be made available to the council and this area but which it is withholding in order to reduce the impact of grant reductions in other parts of the country.

The scale of grant reductions clearly limits the scope for any new investments over and above existing commitments, but the Council needs to ensure that it delivers community priorities and takes a strategic lead on the regeneration of the Borough so some limited new investments are set out in the report – mainly reflecting additional demands being placed on the Council’s social care services. The report also sets out a package of savings totalling around £15m for 2011/12 (of which some are recycled into Adult Care services) and a process for making further reductions over the medium term period of the strategy. Other adjustments to the budget for 2011/12 set out in the report will save a further £4m.

The proposals in the report have been developed in the light of extensive consultation with the community that has taken place over the last year around service priorities and also sets out a schedule of further consultation activities.

Key proposals included in the report are:-

- Continuation of a comprehensive programme of service reviews and staff restructuring that will generate significant ongoing savings with a 20% target having been set across the board although the actual level of savings will vary between different services First stage proposals from the major review of Adult Care and Children’s services should be available later in January.
- To freeze the level of council tax levied by the Council in 2011/12 continuing the Council’s recent practice of reducing the rate of year on year increase as an acknowledgement of the pressure that household budgets are under and taking advantage of the Government’s tax increase funding grant.
- To make new investments of £1.4m in childrens’ social care services and to protect the adult social care budget by reinvesting savings of £1.6m back in to adult social care services.
- To continue the Council’s investment commitment in key infrastructure projects such as new and improved schools and the regeneration of the Borough Towns and Telford Town Centre.
- To use balances and one-off benefits carried forward from early action on the savings programme taken in 2010/11 to support the budget in 2011/12. This will be replaced ongoing by the full year impacts from the programme of organisation restructuring and service reviews which are well under way, coming through from 2012/13.

2. RECOMMENDATION

2.1 Members are asked to approve the service and financial planning strategy set out in the report for consultation with the community.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priorities.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report identify key impacts on specific groups of people. The extensive schedule of planned consultation activities will clarify potential impacts and inform an Equalities Impact Assessment which will be completed on the final proposals to be considered by Cabinet on 22 February 2011.</i>
TARGET COMPLETION/DELIVERY DATE	<i>A series of consultation meetings will be held with community groups during January and February. The proposals contained in the report will also be subject to Member scrutiny during this period. Final proposals will be considered by Cabinet on 22 February 2011 who will make recommendations to full Council on 3 March 2011. The final agreed recommendations will be implemented during 2011/12 and future years.</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<i>This report sets out the service and financial planning strategy for the council for 2011/12 and the medium term.</i>
LEGAL ISSUES	Yes	<i>This report develops the proposals for the Council's budget and policy framework which will be consulted upon in accordance with the Constitutional budget and policy framework procedure rules that will, in due course result in the Council setting its budget and council tax levels by the March deadline laid down by the Government</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<i>This report sets out the strategy framework which includes consideration of the corporate risk register – particularly in relation to the availability of balances.</i>

IMPACT ON SPECIFIC WARDS	Yes/No	<i>Borough-wide impact.</i>
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PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 NATIONAL CONTEXT

The Government announced a Comprehensive Spending Review (CSR) covering the four year period 2011/12 to 2014/15 on 20th October 2010. This was set in the context of a very significant national budget deficit and considerable uncertainty in the world economy. The CSR set out £81bn of ongoing cuts to public spending over the period of the CSR to eliminate the structural budget deficit. This set the framework within which the Revenue Support Grant and other grant and capital settlements affecting the Council would be determined.

It was clear from the CSR that Communities and Local Government, the Government department from which the Council receives most of its funding could expect very significant budget reductions and that over a four year period local government faced something in the region of 27% real terms grant reductions compared to an average reduction of 8.3% across all Government departments. These reductions would be in addition to the “in-year” grant reductions made in June 2010, shortly after the election, which totalled £3m revenue and £1m capital for this Council.

Also included in the CSR were announcements that the overall national schools budget would be increased in real terms by 0.1% pa, the introduction of a “pupil premium” and that some additional funding would be made available for social care. Major changes to the council tax benefit system coming in to effect from 2013/14 were announced as was a grant to encourage local authorities to set a zero council tax increase in 2011/12. The Government also announced through the CSR the end of ring-fencing of most grants made to local authorities. This gives councils more discretion over how the reduced level of funding should be allocated between competing priorities.

It was clear from the Departmental Expenditure Limits (DEL) set for Communities and Local Government (CLG) in the CSR over the next four years that local authorities could expect some front-loading of grant reductions.

4.2 REVENUE SUPPORT GRANT SETTLEMENT

The Government announced its provisional Revenue Support Grant settlement for local authorities on 13th December 2010, much later than had been expected. . A number of methodology and data changes have been applied as well as reductions in the national funding total available for

allocation to local authorities. This has therefore been a very complex settlement to analyse. The information released by the Government is still incomplete and details of some further provisional grant allocations will not be available until January. While the Council will not have as much time for consultation on our draft Service & Financial Planning strategy as in previous years, the Council has been undertaking extensive consultation with the local community for some time and now that the settlement has been announced, the detailed budget proposals contained within this report which are substantially informed by the result of earlier consultation will be subject to extensive consultation throughout January and early February.

As had been expected the Council faces a significant reduction in Government support over the next four years of around £25 million. Detailed figures were only released for the next two years and over this period cash grants to the Council will be reduced by around £19 million with £13.6 million (over half the total expected reduction over the 4 year CSR period) falling in the next year. This will be mitigated by a grant of around £1.4m if the Council agrees a zero tax rise next year. This scale of front-loading is greater than that indicated in the CSR Departmental Expenditure Limits for Communities & Local Government, clearly pose a real challenge. The strategy put forward in this report for consultation will need to be kept under review and amended as additional information that is still awaited becomes available and in the light of comments received through the consultation process. A major review of the local government finance system is expected to be undertaken in 2011/12 which is why detailed grant figures have only been made available for two years. Projections for 2013/14 and 2014/15 therefore have a high degree of uncertainty.

The grant reductions for next year have been exacerbated by the continued use of so-called “damping”. This means money that should, through the funding formula, come to people in Telford and Wrekin is once again being used to limit the impact of grant reductions in other parts of the country. In total around £4.3m of grants that the Government have calculated should be paid to this Council is actually being withheld next year.

The reduction in Formula Grant next year is £8.8m rising to £14.4m in 2012/13. This includes amounts of £0.48m in 2011/12 and £0.86m which has been “top sliced” nationally to transfer funding to the national Academies programme. In addition to the loss of Formula Grant, the Council also lost £4.8m of other grants. The main components of this were “non front line schools grants” totalling £2.4m which have been deleted. This funding, part of Area Based Grant, was previously used by the Council to support schools and following the reductions in grants the Council will now need to identify scope for making savings in these areas or the scope for continuing some services but having to make a charge to the schools for their provision. The other main grant loss has been on the Early Intervention grant where the Council’s grant entitlement has been reduced by around £0.6m but after a damping adjustment has been applied, the Council will actually see a total reduction next year of around £1.7m. (This additional £1.1m grant damping is included in the figure of £4.3m quoted above). Information is still awaited on a number

of other grants so assumptions have been made on likely reductions. The provisional settlement is subject to consultation which ends on 17th January 2011 and it is anticipated that final allocations will be made available to authorities towards the end of January.

Clearly the council has been planning for budget reductions for some time and work is well in hand in developing a new more cost effective organisational structure. Senior management costs have already been halved generating annual savings of £1.75m. A comprehensive programme of service reviews leading into further restructurings of staff and services is in progress and has already generated savings in the current financial year. As part of this programme all Heads of Service have been set a target of identifying proposals that would reduce service costs by 20%.

From April 2009, responsibility for commissioning and funding of social care for adults with learning disabilities transferred from the NHS to local authorities. It was agreed that for 2009-10 and 2010-11, the remainder of the current CSR period, the funding associated with this would be transferred by local agreement between Primary Care Trusts (PCTs) to local authorities and that the transfer agreements would be reported to the Department of Health. From 2011-12, funding will be transferred centrally from the NHS budget and distributed to local authorities. This will be in the form of a specific unringfenced grant called "The Learning Disability and Health Reform Grant" The Council agreed a sum of around £6.5m with the PCT and the Revenue Support Grant settlement confirmed that the Council will receive this switch in funding in line with expectations. The funding is already fully committed to meeting the current costs of care of a number of adults with learning difficulties clients and in funding specialist units such as the West Midlands Specialist Placement Unit. As part of a national initiative, the Council is also awaiting details around the use of around £2.1m local PCT funding which the Secretary of State for Health has indicated should be subject to joint work between the two bodies targeted at providing support as people leave the Health system and integrate back into the community.

The settlement announced by the Government also included details of capital funding. The main changes announced were that there would be no supported borrowing for 2011/12 or 2012/13 but some switching into grants. This switch is helpful to the Council as the benefit of supported borrowing had previously been partially withheld from the Council through the revenue grant damping mechanism. No allocation for primary capital has been announced. The main changes are summarised below:-

- Basic need, increase of £1.149m.
- Schools Modernisation, increase of £0.69m
- Devolved Formula Capital - reduced by £2.416m
- All Education funding only announced for 2011/12 with no indications for future years
- Social Care Capital Grant increase of £0.219m in 11/12 and £0.230m 12/13.
- Disabled Facilities Grant not available yet and expected to be announced in January

- Integrated Transport - cut by £1.22m
- Highways Maintenance - increase of £0.332m

Most capital grants are not ring-fenced and usage of available funding is subject to prioritisation by members.

4.3 LOCAL CONTEXT

In March 2010, the Council approved a 3-year Service & Financial Planning Strategy, which set out the principles that guide the development of our budget and our investment and savings programme. Areas where significant additional investments have been made in 2010/11 include:

- Regeneration of Borough Towns and Telford Town Centre;
- Adult and children's social care services;
- Sports & Learning Communities;
- Parks and play areas;
- Maintaining roads, pavements and street lights.

Over the past few months, we have been reviewing our strategy. Our focuses have been to review our priorities, investment package, service budgets and options for making savings and efficiencies, taking account of:

- Financial and economic pressures;
- Significant service pressures;
- The wide range of national policy developments from the Coalition Government;
- Views of local people.

4.3.1 Financial & Economic Pressures

The difficult economic situation continues to have a significant impact on the community. In addition to an increase in the cost of living, impacts include:

- Higher unemployment – April 2009-March 2010, 8.1% unemployed, compared to 6% the previous year;
- Limited new house building, restricted availability of mortgages and slow housing market – in October 2010, the Council of mortgage lenders announced that mortgage lending in the UK is at a 10 year low;
- Increase in Council Tax and Housing Benefit applicants – there has been an 18% increase in Housing and Council Tax benefit claims over the last 2 years. So far this year our gross benefit expenditure is £4m higher than at the same point last year.

The Council has a key role to play in mitigating the effects of the economic downturn and planning for recovery, for example by continuing to support more new homes being built.

In recent years, we have focused on securing long-term economic prosperity. The continued development of the Town Centre and regeneration of the

Borough Towns are essential elements of our future budget strategy. It is important that we continue to show confidence, leadership and investment in the future of the area despite the financial challenges that face us

4.3.2 Service Pressures

Whilst a number of services are experiencing increasing demand, there are particular pressures on social care services for children and adults.

- **Children's Social Care** – in line with national trends, we are continuing to receive an increasing number of child protection referrals, leading to higher numbers of Children in Care. There has also been a significant increase in children remaining in care for longer periods;
- **Adult Social Care** - we have also been experiencing increasing demand for our Adult Social Care Services as a result of increasing numbers and life expectancy of older people and increasing complexity of care.

The Government's proposed changes to the Welfare Benefits system will also have significant financial implications for some households in the Borough. We will need to carefully monitor the impact of these changes, which have the potential to increase demand for a range of our services.

4.3.3 National Policy

Since the formation of the new Coalition Government, there has been a significant shift in policy in many areas. New policy announcements are being made on an almost daily basis, so a key challenge is to respond to this rapidly changing national policy framework.

There is a particular emphasis on the **Big Society** and the transfer of power to local people and organisations. This includes communities having a greater say over decisions and giving local people, social enterprises, voluntary groups and charities more opportunities to take over the running of local public services.

The Government has also published a number of key White Papers, covering the Localism Bill, NHS, public health and schools. These set out a number of proposals that will impact upon the Council and its partners, including:

4.3.4 Localism Bill:

- A right to veto excessive council tax rises whereby a referendum would be held if a local authority (including larger parish councils) proposed a council tax increase over a ceiling set by the secretary of State,
- A Community Right to Challenge enabling community groups to express an interest in running local government services,
- A Community Right to Buy which will require local authorities to maintain a list of public or private assets of community value. When assets on the list came up for sale communities would be given the chance to develop a bid and raise the capital to purchase the asset.
- Local referendums to give local people, councillors and councils the power to instigate a local referendum on any local issue.

- A general power of competence which will allow local authorities to do anything apart from that which is specifically prohibited.
- Extensive proposals around Governance, the planning system and social housing reform.

4.3.5 NHS/Public Health:

- Devolution of responsibility for commissioning services to GP consortia with the abolition of PCTs from 2013 with PCT provider services separated from PCTs by March 2011 and a move to greater 'cluster working' by groups of PCTs during 2011/12;
- All NHS trusts will become or be part of a foundation trust;
- Health and well-being boards to be established within local authorities to join up local NHS, social care and health improvement services;
- Long-term care – the Government has set up a Commission on Long-Term Care to look at a range of ideas for funding long-term care. The Commission is due to report within a year with a White Paper expected in 2011;
- Transfer of responsibility for local health improvement from the NHS to local authorities;
- Ring-fencing of the public health budget with a new health premium to reduce health inequalities;

4.3.6 Schools:

- Fast-track mechanism for schools to achieve Academy status (schools free from local authority control funded directly by the Government) and the lowest performing schools to be considered for conversion to Academies;
- Encourage new providers to set up alternative provision Free Schools (non-profit making schools that will have similar freedoms and flexibilities as Academies);
- Ensure there is support for schools to collaborate through academy chains and multi-school trusts and federations;
- Give local authorities a 'strong strategic role', co-ordinating fair admissions and developing school improvement strategies (local authorities will be able to provide whatever form of improvement they choose);
- Raise the age that all young people are expected to take part in education or training to 17 by 2013 and to 18 by 2015;
- Introduce additional 'Pupil Premium' funding to raise the attainment of disadvantaged pupils and alongside this, a new national funding formula (following consultation);
- Establish a new collaborative incentive (financial reward for weaker schools that improve their performance) and the Education Endowment Fund for innovative projects to raise the achievement of deprived children in underperforming schools.

We also need to take account of other Government priorities, recently published in Government Department Business Plans. These include:

- Meet people's **housing aspirations** – incentives for councils to facilitate housing growth;
- Reform the **planning** system;
- Secure an **economy** that is more resilient, and more balanced between public and private sectors and between regions;
- Improve **local sports facilities**.

4.3.7 Community Priorities

In developing the budget, our aim is to align resources with priorities. Our starting point is the vision for Telford & Wrekin of:

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

This vision is supported by a clear set of priorities for action – our community priorities. These are:-

- **Active Lifestyles**
- **Adult Care & Support**
- **Children & Young People**
- **Community Focused, Efficient Council**
- **Community Protection & Cohesion**
- **Environment & Rural Area**
- **Housing, Regeneration & Prosperity**

The draft strategy set out in this report reflects our priorities framework.

4.3.8 Views of Local People

The draft strategy has also been informed by a wide-ranging engagement programme with the local community. This started in December 2009 and has continued throughout 2010. Appendix 1 gives further details of the responses, but the headline messages are set out below. Engagement will continue during January 2011 (see Appendix 2 for a summary of the planned engagement programme):

- **Spending Priorities - Day to Day Services**

In January 2010, the Community Panel (534 responses) were asked to consider the importance of 12 day to day services and to prioritise which 5 were most important to the community overall. We also ran a similar exercise in the Borough Towns and at most of our consultation meetings (more than 600 people took part in total).

Whilst there was some variation, there was broad overall agreement that the 4 highest service priorities were:

- **Crime and safety**
- **Maintenance of roads, pavements and street lights**

- **Social services for disabled adults and older people**
- **Education**

Since June 2010, we have also been running a more complex 'spend and save' exercise (110 participants to date). This gives people taking part information about how much money is spent on 10 of our main service areas and asks them to decide how to 'spend' an additional £2m. In terms of 'spending' money, the top priorities were:

- **Adult Social Care**
- **Children's Social Care**
- **Community Protection**
- **Support for Schools**

These two sets of results are fairly consistent. The main differences with the 'spend and save' exercise (where people had information about how much was already spent on services) appear to be a higher priority attached to Children's Social Care and a lower priority attached to maintenance of roads.

- **Spending Priorities - Long-Term Infrastructure Investments**

In January 2010, the Community Panel and people who attended consultation meetings were asked for their views on 10 longer-term (capital) investments. There was a consistently high level of support for long-term investment in:

- **Maintenance of roads and pavements**
- **Extra care housing**
- **Regeneration of the Borough Town Centres**

Views on other long-term investments were more mixed. In particular, members of the Community Panel prioritised 'environmental' investments, such as improving parks and recycling facilities higher than other groups.

- **Savings Options**

In January, we also asked people to put forward any ideas they had for savings options. The most common responses were:

- **Reduce employee/member costs**
- **Cut out red tape/waste (printing, stationery etc)**
- **Reduce street/traffic lights**
- **Increase income (charges, fines and sale of assets)**
- **Outsource or contract out services**

As very few of these suggestions related to services provided directly to the public, we have also been asking people to identify how they would 'save' £5m from a list of 10 services (again providing them with information about how much is currently spent on these services).

In terms of 'saving' money, the top priorities to date are:

- **Adult Social Care**
- **Roads and Transport**
- **Environment & Waste**
- **Leisure & Culture**

The majority of people reluctantly prioritised Adult Social Care for savings, because of the scale of the budget compared to other areas. Similarly, roads and transport and environment and waste were areas that people felt were important, but where further savings/efficiencies could be made due to the relatively large budgets.

4.4 OUR STRATEGY

4.4.1 Budget Guiding Principles

The draft strategy put forward for consideration is based on the guiding principles of:

- Spreading our reducing resources fairly and openly across the Borough, whilst taking account of the needs of different areas;
- Developing spending plans that are based on the community's needs and priorities;
- Doing our best to make efficiencies and savings to restrict the level of cuts to services as far as possible;
- Keeping the level of Council Tax as low as possible to ease the financial burden on local tax-payers whilst protecting front line services;
- Keeping the use of Council reserves to a minimum and use only when we need to;
- Setting aside some additional money to deal with any unforeseen circumstances caused by the current economic situation;
- Selling some of the Council's poorer performing land and property to fund community priorities (if it is practical and prudent to do so);
- Setting our fees and charges at realistic but fair levels, ensuring that appropriate concessions are in place for those that need them.

4.4.2 Investments

Our strategy is based on the principle of 'developing affordable spending plans that are based on the community's needs and priorities' and a continuing commitment that the Council will allocate its reducing resources fairly across the Borough.

We clearly cannot, however, invest in everything. We have therefore had to identify where additional funding is most needed, based on the views and priorities of the community.

Our capital investment programme for the next 3 years is set out in Appendix 3. Key aspects of this programme and how they link to our community priorities are set out in the table below:

Community Priority	Investment Proposals	Rationale
Active Lifestyles	Improving Telford Town Park (£3.5m Parks for People funding)	<ul style="list-style-type: none"> - Key part of transformation of Telford Town Centre - Majority (74%) of Community Panel support improvements to parks and play areas
Adult Care & Support	Helping people to stay in their own homes (£1m capital)	<ul style="list-style-type: none"> - Increasing demand for Adult Social Care Services - High public priority for additional spending ('spend and save' consultation)
	Re-investment of £1.6m revenue savings back in to Adult Care & Support services	<ul style="list-style-type: none"> - Re-investment in care services to enable vulnerable people to remain living independently in their own homes for as long as possible
Children & Young People	Extra funding for Children's Social Care to protect vulnerable children (£1.4m revenue)	<ul style="list-style-type: none"> - Increasing demand for Children's Social Care Services and rising numbers of Children in Care - High public priority for additional spending ('spend and save' consultation)
	Creating new Sports and Learning Communities and continuing Building Schools for Future programme (£158m capital)	<ul style="list-style-type: none"> - Supports Government priorities to improve the quality of schools and local sports facilities - Majority (72%) of Community Panel support investment (3rd highest priority at consultation meetings)
Environment & Rural Area	Maintaining roads and pavements (£19.8m capital)	<ul style="list-style-type: none"> - Almost universal support (97%) from Community Panel for investment in roads etc (joint 3rd highest priority at consultation meetings)

	Changing Community Recycling Centres/Waste Bulking Station (£1.1m capital)	<ul style="list-style-type: none"> - Strong support (81%) from Community Panel for investment in recycling - Invest to Save
Housing Regeneration & Prosperity	Improving our Borough Town Centres (Dawley, Newport, Wellington, Leegomery, Hadley, Oakengates £16.6m capital)	<ul style="list-style-type: none"> - Part of a long-term strategy to support recovery and secure economic prosperity - Strong support (83%) from Community Panel for investment in Borough Town Centres (top priority at consultation meetings)
	Transforming Telford Town Centre (£51m capital – Phase 1)	<ul style="list-style-type: none"> - Part of a long-term strategy to support recovery and secure economic prosperity
	Supporting more new homes being built, particularly affordable housing in rural areas (£2.9m capital)	<ul style="list-style-type: none"> - Part of a long-term strategy to support recovery and secure economic prosperity - Supports the Government's priority to meet people's housing aspirations -
	Providing specialist, extra care housing specialist housing for disabled adults and older people (£2.2m capital)	<ul style="list-style-type: none"> - Strong support (88%) from Community Panel for investment in extra-care housing (2nd highest priority at consultation meetings)
	Improving Woodside and Sutton Hill (£4.9m capital)	<ul style="list-style-type: none"> - Part of a long-term strategy to support recovery and secure economic prosperity -

The BTISLC programme is also currently under review with a significant reduction in the total funding being made available by the Government, of around £40m. expected to be confirmed shortly. However, at the time of preparing this report this reduction and its impact on the phasing of the programme is not fully clear and has not therefore been reflected in Appendix 3, further information is provided in a separate report. Even after the reduction in Government support, this will still be a huge capital investment programme across the Borough's sports and learning communities which will give long term benefits to many people. However, some limited additional funding will be required from the Council of around £0.95m and this has been built in to the investment programme and the revenue consequences included

in the base budget. £0.8m of this is to cover additional costs arising from accelerating the programme and £0.15m to facilitate works in advance at sites for disposal in order to maximise future capital receipts.

In order to free revenue reserves up, the £0.8m which is still uncommitted within the Invest to Save reserve approved as part of the current years budget strategy will be transferred to the redundancy costs provision and a new capital allocation of £0.5m has been built in to the budget projections for next year to fund some Invest to Save schemes of a capital nature.

As reported to Council in March 2010 when the service and financial planning strategy for 2010/11 was agreed, the investment programme is now dependent on around £80m of capital receipts yet to be realised. The Council has an agreed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This is however a considerable exposure and represents a key risk. This dependency will therefore continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis.

4.4.3 Savings.

Over the last four years, savings of around £17m have already been made. As stated earlier, over the period covered by this medium term financial strategy the Council is looking to identify savings proposals of 20% across its budget. The 20% target figure is being used as a guide and obviously indicates the need for substantial service redesign rather than just incremental efficiency measures but actual reductions may vary with delivery of some services ceasing and others facing a much smaller reduction. As far as possible cuts to front line services will be minimised by continuing to seek to make efficiency savings. However, difficult choices will need to be made and cuts to services will be unavoidable given the scale of the financial challenge facing the Council. A schedule showing the targets and phasing for reductions of 20% to staffing and non staffing budgets is attached as Appendix 4a. These savings targets are over and above a principle that has been adopted that no allowance has been made for general inflation or pay awards throughout the medium term period covered by this strategy forcing further savings where these cost pressures arise over and above the 20% savings target. (Some allowance has however been made for contractual inflation). Appendices 4b and 4c summarise non-staffing and staffing savings by Service Delivery Unit and by year

Appendix 5 details specific proposals for savings on non-staffing budgets with a number of further proposals giving a one-off benefit in 2011/12 detailed on the first summary page of the Appendix. The proposals in Appendix 5 total £10.4m before allowing for savings where the benefit "leaks" away from the main General Fund budget e.g. through to capital account, the education budget or a partner organisation. £1.6m of the gross savings come from the

Adult Social Care budget but it is proposed that all savings from this area are reinvested back in to Adult Social Care. This leaves a net figure of £8.1m expected to be available to support the General Fund budget from the proposals detailed in Appendix 5 in 2011/12.

In addition, the Council's staff restructure programme which is aligned with the service review programme is expected to generate savings of £5.1m (after "leakage") next year including £1.3m assumed from the Voluntary Redundancy scheme and holding posts vacant as natural wastage occurs in advance of restructures as detailed in Appendix 4c.

To identify savings and efficiencies, we have been carrying out a rolling programme of restructuring and service reviews. This comprehensive programme started with transport services and a major review of childrens' and adults' services is currently in progress with an initial progress report due to be considered by Cabinet shortly. Our approach has been based on the principle of 'keeping cuts to front line services as a last resort'. Therefore we have considered the savings options suggested through consultation and have wherever possible focused on things that will have minimal impact on services delivered to the public, such as:

- Reducing the number of senior managers (the cost of senior management has been halved over the last 2 years saving £1.75m pa)
- Spending less on computers, telephones, equipment etc;
- Renegotiating contracts;
- Cutting down the number of buildings we use and reducing repair and maintenance.

We have also looked at our fees and charges, as this was another area highlighted through public consultation. Our savings package includes a number of proposals relating to fees and charges, including increasing charges for swimming lessons, school meals, licence fees and parking (Ironbridge and the small Council owned Town Centre car park only) and introducing new charges for pest control and replacement bins. We have focused on services where charges have not increased for a number of years or where our charges are significantly lower than other councils.

Finally, given the scale of the challenge facing us, we have had no option but to consider making some savings to services; some of the higher-value savings of this type are summarised in the table below. We have focused on 'scaling back' services rather than stopping them altogether, carefully weighing up the impact on local people and taking into account the results of consultation. Details of the savings proposals for 2011/12 are included in Appendix 5. Key proposals include:-

Proposal	Comments
Switch off street lighting at night and associated energy efficiency programme (non-residential areas only)	Phase 1 already implemented earlier in 2010 with minimal impact (74% of Community Panel supported in Jan 2010). Switching off street lights was one of the most frequently suggested savings options during consultation.

Various highways savings – reduced spend on repairs to street lights, roads/pavements and drainage	Roads and transport highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget. Capital programme will ensure continuing planned maintenance.
Various transport savings – revise dial-a-ride scheme and Wrekin Connect, changes to bus services	Roads and transport highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget.
Concessionary travel – revert to mandatory concessionary travel service	This proposal relates to half an hour a day between 9.00-9.30am. When this extension was originally proposed, less than half of the Community Panel (46%) thought it was important.
Various environmental maintenance savings – reduced shrub-bed maintenance and reduced frequency of grass cutting and road sweeping	Environment and waste highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget.
Various recycling savings – including removal of bring banks (in pub/supermarket car parks)	Environment and waste highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget. Less need for bring banks due to improvements to kerbside recycling service, including kerbside plastic recycling.
Review non-mandatory milk provision in schools asking parents to opt-in to the scheme rather than provide milk which ends up being wasted.	Telford & Wrekin is one of only 3 councils in the country which exceeds the mandatory provision for school milk. Currently, 20-25% of milk is not drunk and has to be disposed of.

Work is also underway to identify savings of £1.2m to offset (partially) the loss of £2.4m grants that have been classed as “non front line schools grants”. These proposals will count towards the relevant service areas’ 20% savings targets but it is intended that they will be implemented early and make an upfront contribution to the savings target for next year – a key approach will be to ask schools if they wish to purchase services which were previously funded from these grants.

The Council has built up a significant reserve since 2007/08 towards the costs of single status. There remains a considerable amount of work to be done before actual implementation which will not be within the 2011/12 financial year. The position is regularly monitored and if it is considered that additional funds need to be allocated then these can be built into the budget for 2012/13. Not making additional provision during 2011/12 will generate a benefit of around £2.8m on the General Fund and a further benefit of around £0.2m on the Dedicated Schools Grant funded budget. The ongoing provision for the single status settlement is however still provided for in future years.

As reflected in 2010/11 financial monitoring reports, considerable work has already been undertaken in the current financial year pulling the implementation of savings proposals forward and implementing restructures early as reported through financial monitoring. Around £1.5m (£0.6m from non-staff budgets and £0.9m from staffing budgets) will be available from this early action as a one-off contribution towards the budget strategy for next year. In addition, work has been undertaken to challenge VAT payments from the early 1990s due to an error in the legislation. In total, a number of claims for VAT refunds have been made and around £1.7m is expected to be available to be carried forward and used as a one-off benefit in 2011/12.

A review of other one-off benefits that are available has been undertaken in order to offset the front loading of the grant reductions and to allow the savings from restructures and the service reviews to feed through. It has been possible to identify a surplus on the collection fund account, surplus dividends from the Council's investment in West Mercia Supplies and an over-provision for bad debts. In total these will generate around £2.2m to help balance the budget for 2011/12 and avoid the use of General Fund balances.

Work is underway to identify what, if any, scope is available to help partially offset rising Adult Care & Support pressures from the PCT funding of £2.1m to be allocated for joint use by the Council and NHS Telford & Wrekin (PCT) in 2011/12 under the national initiative. However, at this stage no additional benefit has been assumed from this funding until there is greater clarity around its use from the Secretary of State for Health. This same funding currently appears in both NHS and Local Government spending totals!

4.4.4 Base Budget, Council Tax and Balances

A summary of the Base Budget position is included at Appendix 6 which shows a net base budget of £130.851m for 2011/12 giving a base budget funding gap of £4.97m before the grant reductions.

The medium term financial strategy put forward recommends that the Council does not increase Council Tax for 2011/12. This continues the recent policy of seeking to reduce the year on year rate of council tax increase. It will also enable the Council to benefit from the grant of £1.4m, equivalent to a 2.5% council tax increase offered by the Government which will be forgone if the Council sets any level of increase.

Council Tax in Telford & Wrekin in 2010/11 is again the lowest in the Midlands region for the services this Council provides (£129 lower than the Midlands average at Band D in 2010/11). It is also significantly below the national average for other unitary authorities (£115 lower than the unitary authority average at Band D in 2010/11). With no increase proposed, we do not envisage any significant change in this position. A chart comparing the level of Council Tax for services provided by this authority to that charged in other parts of the Midlands is attached as Appendix 7.

Appendix 8 summarises the overall balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This shows around £4.2m available as part of medium term budget

strategy considerations after setting £1.1m aside to supplement the base budget contingency of £1.6m on a one-off basis in 2011/12 and the transfer of the remaining £0.8m revenue Invest to Save funds to the redundancy costs provision. The considerable uncertainties faced next year will need to be allowed for in any strategy and an adequate contingency is therefore required. A contingency at this level will help us deal with unexpected variations or some delay in implementing savings proposals. As previously explained, no allowance has been made for any inflation or pay awards over the period of this strategy apart from an amount which has been earmarked to offset known income shortfalls and contractually committed inflation. This is currently held centrally pending confirmation of the minimum amounts that will need to be allocated to services in order to achieve a realistic budget during these years.

4.5 MEDIUM TERM GENERAL FUND STRATEGY - SUMMARY

Projected Budget Gap	11/12 £m	12/13 £m	13/14 £m	14/15 £m
Base Budget gap See Appendix 6	5.0	10.1	12.7	13.7
Formula grant loss - excludes council tax increase grant for 2011/12	8.8	14.4		
Other grant losses	4.8	4.5		
Total assumed grant loss (per CLG DEL announced in CSR)			19.2	23.7
Investment in Looked After Children Placements	1.4	1.4	1.4	1.4
Sub total	20.0	30.4	33.3	38.8
Savings proposals including additional income – see Appendix 5 (after estimated leakage and net of social care investment of £1.6m)	-8.1	-12.6	-15.5	-15.5
Savings from staff restructure (after estimated leakage)	-5.1	-13.1	-14.4	-14.4
Total Projected Budget Shortfall before use of balances and Council Tax increases	6.8	4.7	3.4	8.9
Usage of Specific One Offs <ul style="list-style-type: none"> Suspend contribution to single status provision on one-off basis Council tax surplus 	(2.8) (1.2)	 (0.3)	 (0.3)	 (0.3)
Restated shortfall before use of general balances and council tax increases	2.8	4.4	3.1	8.6
Council Tax grant = 2.5% increase for 2011/12	(1.4)	(1.4)	(1.4)	(1.4)
Remaining gap – to be found from use of balances / further savings or council tax increases	1.4	3.0	1.7	7.2

As previously stated, a major review of the local government finance system is expected to be undertaken in 2011/12 which is why detailed figures have only been made available by the Government for two years. Projections for 2013/14 and 2014/15 therefore have a high degree of uncertainty.

4.6 DEDICATED SCHOOLS GRANT

As part of the Local Government finance settlement The Department for Education (DfE) has announced a Dedicated Schools Grant (DSG) one year budget settlement for schools including the mainstreaming of relevant grants into the DSG. Approximately 90% of the base 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. All of the DSG relating to the mainstreamed grants previously delegated to schools will be delegated in 2011/12.

The DSG amount is based on a guaranteed unit of funding per pupil (GUF). The proposed 2011/12 allocation is based on the same GUF as that of 2010/11 increasing only by the amount of per pupil mainstreamed grant received. For Telford and Wrekin the 2011/12 GUF is £4,854 comprised of the existing 2010/11 figure of £4,219 plus £635 per pupil grant.

In addition a new Pupil Premium has been introduced for deprived pupils. This is a flat rate of £430 per deprived pupil applicable nationally and will be paid to Local Authorities as a specific grant and passported to schools. The national allocation of this premium is £625m in 2011/12 rising to £2.5bn by 2014/15. The amount received by Local Authorities will be driven by the January pupil census and current eligibility for free school meals although there are aims to extend the coverage of this premium to pupils formerly eligible for free school meals in 2012/13 onwards. Telford & Wrekin current estimates indicate a total grant of approximately £1.8m for Pupil Premium but this is an early estimate and January census data will be required to provide a more accurate forecast.

In line with previous years the DfE also sets a per pupil minimum funding guarantee. However, unlike previous years, the guarantee is set at a negative level, to ensure no school has a reduction in its budget of more than 1.5% per pupil before any Pupil Premium is applied. The impact of the minimum funding guarantee and the additional Pupil Premium will have varying effects on our schools depending on the number of deprived pupils on roll. Some schools with minimum levels of deprived pupils will experience real reductions to their funding, some will stand still at 2010/11 levels and some with high numbers of deprived pupils will attract additional funding. Schools will be held accountable by the Government for how they use the allocated premium by setting new measures within the performance tables and requiring schools to publish on-line how they have used the premium. However, the pupil premium will not be ring fenced at school level.

The Government have also introduced the operation of a cash floor at local authority level to ensure the protection of Councils with falling pupil numbers. For 2011/12 this has been set at the level of minus 2%. Whilst Telford &

Wrekin, on latest estimates, anticipate a fall in pupil numbers, particularly within the secondary sector, we do not anticipate the level of reduction triggering the operation of the cash floor mechanism.

The Government plans to undertake a full review of the schools funding system for future years as outlined within the White Paper "The Importance of Teaching" and as a result have issued only a one year settlement compared to the two year allocation published for all other Local Authority services. This will limit the ability of authorities to plan ahead due to the uncertainty of funding for the following year.

Since 2009/10, Telford and Wrekin schools have experienced a cumulative reduction of over £2million in DSG funding due to falling pupil numbers. This has had a significant impact on funding for a number of our schools with falling rolls. The precise funding loss in 2011/12 will only be available once the January 2011 census has taken place and changes in the methodology of the pupil counts have been incorporated. However, it is clear that some secondary schools, in particular, will once again experience significant reductions in funding due to lower pupil numbers.

The settlement received is much tighter than previous years and some of our schools will face difficult decisions to balance their budgets. Discussions have already begun with the Schools Forum to assess the full implications of the mainstreaming of grants and what action may need to be taken to alleviate any negative impact if considered appropriate. The deletion by the Government of £2.4m of "non-front line schools grants" which were previously paid to the Council will also add pressure to schools budgets as many of these services will have to be withdrawn unless a charging mechanism can be put in place whereby schools pay for those services that they wish to continue to receive. An assumption has been made within the Council's General Fund budget strategy that £1.2m of income will be generated from schools or reductions in services made during 2011/12 to partially offset this reduction. Further work will need to be undertaken on budget modelling to assess the specific financial impacts of the overall settlement and any proposed actions will form part of the overall Education Budget Strategy.

The Education Budget Strategy considers only those areas of expenditure funded by the Dedicated Schools Grant. This grant also funds expenditure on the various central education services. As the total DSG is driven by pupil numbers any reduction in pupil numbers also reduces the amount of funding available to meet the costs of 'Central' expenditure items. The Council's overall process to identify and deliver savings of 20% as part of the Council's budget strategy incorporates the DSG budgets which will assist in mitigating the impact of any loss of funding. Any pressures relating to areas funded by DSG also need to be considered. The current work on budget modelling for 2011/12 indicates a continuing pressure on Special Education placements and support amounting to just over £500k which will need to be considered within the Education Budget strategy.

4.7 NEXT STEPS & TIMETABLE

As in previous years, engaging and communicating with the community on our future plans will be a key part of the budget process. We will be asking for views on our investment and savings packages and the proposed Council Tax freeze. We will also start to seek views on what our priorities should be in future years.

Our approach is to begin engagement immediately after the publication of the draft budget strategy on 31st December 2010. Our engagement plan, which is set out in Appendix 2 includes:

- A postal survey of the Community Panel;
- Meetings with a wide range of groups and organisations;
- 'Your Money, Your Views' – a consultation document summarising the main budget proposals;
- Online 'spend and save' consultation;
- Formal consultation with Scrutiny Committees.

We will also be carrying out a full impact assessment (to be published alongside the final report) to identify what action we can take to remove or reduce any adverse impacts of our final proposals.

Final proposals will be considered by the Council's Cabinet on 22nd February 2011 and full Council will consider the recommendations from Cabinet and Scrutiny / Opposition Groups on 3rd March 2011.

5. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Cabinet – 8th December 2010

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BUDGET ENGAGEMENT RESPONSES

1. WHO HAVE WE TALKED TO?

The draft strategy set out in this report has been informed by a wide-ranging engagement programme with the local community about their priorities. This started in December 2009 and has continued throughout 2010. This has included:

- Engagement events in the Borough Towns (Newport, Madeley, Wellington, Oakengates and Dawley) – 455 people took part in an exercise prioritising some of our key services (December 2009)
- A postal survey of the Community Panel of 1350 local residents (534 responses, 40% response rate) (January 2010)
- ‘Your Money, Your Views’ – a budget consultation document (275 responses) (January 2010)
- Meetings with external and internal stakeholder groups (various dates), including:
 - Parishes Forum
 - Voluntary and Community Forum
 - Chamber of Commerce
 - Young People’s Forum
 - Connecting Communities Group
 - Rural Forum
 - Disabilities Forum
 - Local Strategic Partnership Executive
 - Head Teachers/Diocesan Representatives
 - Joint Information and Consultation Forum (JICF) – Trade Unions
 - Corporate Employee Focus Group
 - Senior Citizens’ Forum
- £££s for Projects (July/August 2010) - at the same time as talking to people about the budget, we have been encouraging them to take part in £££s for Projects. The votes from £££s for Projects provide useful information about people’s spending priorities at a local level (3,000 votes received);
- ‘Spend and Save’ Exercise (June 2010 onwards) – 110 people have taken part to date in an exercise that involves spending an additional £2m and saving £5m from a range of services (this exercise is ongoing and will be launched online at the end of October).

Section 2 of this appendix summarises the responses received to date that relate to:

- Spending Priorities – day to day services, long-term investments and ‘local’ priorities (identified through £££s for projects); and
- Savings Options.

2. WHAT DID PEOPLE TELL US?

2.1 SPENDING PRIORITIES

a) Running Day to Day Services

In January 2010, the Community Panel were asked to consider the importance of 12 day to day services and to prioritise which 5 were most important to the community overall. We also ran a similar service prioritisation exercise in the Borough Towns and at most of our consultation meetings (more than 600 people took part in total). Everyone who took part was given 5 tokens (each worth £100,000) to 'spend' on the service or services that they thought were most important.

Table 1 – Service Priorities (January 2010)

Service	% of Panel who identified as a 'Top 5' priority	Overall service rankings from all events and meetings
Maintenance of roads, pavements and street lights	67%	4
Crime and safety	66%	1
Social services for disabled adults and older people	57%	2
Education	54%	3
Waste collection and recycling	51%	8
Social services for children	48%	5
Environmental maintenance	40%	9
Transport	32%	7
Housing	30%	6
Leisure and culture	23%	10
Economic development/support for local business	19%	11
Benefits advice	6%	12

Table 1 highlights some differences between the results for the Community Panel and the overall results of the service prioritisation exercise carried out at consultation events and meetings. For example, compared to people who took part in meetings and events, the Community Panel appear to place:

- More importance on 'environmental services', such as maintenance of roads, pavements and street lights and waste collection/recycling; and
- Less importance on housing.

However, there does appear to be broad overall agreement that the 4 highest service priorities are:

- **Crime and safety**
- **Maintenance of roads, pavements and street lights**
- **Social services for disabled adults and older people**
- **Education**

And the 3 lowest service priorities overall appear to be:

- Leisure and culture
- Economic development/support for local business
- Benefits advice

Since June 2010, we have also been running a more complex 'spend and save' exercise. This gives people taking part information about how much money is spent on 10 of our main service areas and asks them to decide how to 'spend' an additional £2m.

In terms of 'spending' money (Table 2), the top priorities were:

- **Adult Social Care**
- **Children's Social Care**
- **Community Protection**
- **Support for Schools**

Housing & Regeneration and Leisure & Culture were the two lowest ranked priorities in terms of 'spending' money.

Table 2 – 'Spend' Priorities (October 2010)

Service Area (Revenue Budget)	Amount 'Spent' (£m)	Rank
Adult Social Care (£35m)	£36m	1
Children's Social Care (£19m)	£35m	2
Community Protection (£3m)	£26m	3
Support for Schools (£2m) e.g. - Raising school standards and improving behaviour and attendance - Helping children with Special Educational Needs	£25m	4
Other Children and Young People's Services (£6m) e.g. - Play schemes and activities - Children's Centres (0-5 years) - Youth service	£17m	5=
Jobs and the Economy (£2m)	£17m	5=
Roads and Transport (£14m)	£16m	7
Environment and Waste (£13m)	£15m	8
Leisure & Culture (£5m)	£13m	9
Housing & Regeneration (£3m)	£12m	10

These results are fairly consistent with the previous exercise in January 2010, although it should be noted that the list of services are not exactly the same. The main differences with the 'spend and save' exercise (where people had information about how much was spent on services) appear to be a higher priority attached to Children's Social Care and a lower priority attached to 'environmental services'. Feedback from participants was that these 'environmental' services already had relatively large budgets and therefore did not need additional funding.

b) Long-Term Infrastructure Investments

In January, the Community Panel were asked for their views on a range of 10 longer-term (capital) investments. Results are shown in Table 4 at the end of this Appendix.

In addition, people who attended consultation meetings were asked in groups to agree the 5 most important long-term investments from the same list of 10, giving reasons for their choices (see also4).

The area that caused the most discussion at consultation meetings was priorities for regenerating the Borough. Table 4 suggests that there is significantly more support for regenerating the **Borough Towns** (83%, ranked as top priority at consultation meetings) than redeveloping **Telford Town Centre** (38%, ranked 7th priority).

In the consultation meetings, it was clear that some people feel that there is a clear choice to be made between regenerating either the Town Centre or the Borough Towns – a number of people talked about the Town Centre and the large retail parks being ‘competition’ for smaller businesses in the Borough Towns. The other main reason for the strong level of support for Borough Towns appears to be that people identify more and feel a greater sense of community in their ‘local’ centre’.

27 Community Panel/‘Your Money, Your Views’ respondents commented specifically that they did not think we should be prioritising the Southwater development (particularly new Civic Offices) in the current economic climate. Most of these people did not object to the re-development itself but the timing of it.

Views about regenerating the **New Town Estates** also vary - 65% of Community Panel members support this initiative and 13% oppose it. Although some people feel that a lot of money has already been spent on these areas, particularly South Telford, there also appears to be a general acceptance that there is a need to improve these areas.

Almost three-quarters (72%) of the Panel support the creation of new **Sports & Learning Communities** (this was ranked as the 3rd= highest priority overall at consultation meetings).

The issue of **housing** also generated much debate. Interestingly, there appears to be stronger support for Extra Care housing (88%, ranked 2nd priority at consultation meetings) than supporting the building of new homes (64%, ranked 6th priority). The main reasons for this appear to be concerns about the number of new houses being built, particularly in rural/‘green’ areas and a view that the Council should not get involved in house-building.

Table 4 also shows high levels of support amongst the Community Panel for investing more in **roads and pavements (97%)**, **street lights (88%)**, **improving recycling (81%)** and **parks/play areas (74%)**. However, at consultation meetings, opinion was divided about the relative importance of these investments. For example, street lights were ranked as the least important priority overall, although the Disabilities Forum placed relatively more importance on this due to safety concerns. Recycling was ranked as 9th priority overall, many people expressing the view that we already have an excellent recycling service.

c) Local Priorities

The responses received through £££s for Projects (more than 3,000 in total) give a useful insight into people's spending priorities at a local, neighbourhood level. The top ten categories of suggestions (with examples of what these categories included) were:

- **Children and young people activities** (325 votes) – activities for youth, under 5s and children with disabilities, holiday and after school activities;
- **Clean up activities** (260 votes) – street and pavement cleaning, clean up of dog fouling, graffiti, bus shelters and wasteland, litter picking;
- **Community gardens** (259 votes) – including allotments;
- **Parks** (240 votes) – including lighting, walking/games areas, skate park;
- **Children and young people facilities** (188 votes) – youth clubs and cafes, shelters and meeting areas, free nursery places and IT facilities;
- **Planting schemes** (157 votes) – hanging baskets, tree planting;
- **Road/pavement repairs** (153 votes) – potholes, dropped kerbs, repainting road markings, road drainage;
- **Sports and leisure facilities** (138 votes) – courts/areas for ball games, BMX/bike tracks, bowling greens, football pitch posts and nets, sports equipment for older people and improvements to swimming pools;
- **Community celebrations** (121 votes) – music, art, literary and cultural festivals, spring fair;
- **Community accommodation** (117 votes) – improvements to community buildings, halls and car parks, drop in advice centre/community cafe, more council garages.

The top ten categories account for around 65% of the total. In contrast to the results of the 'spend and save' exercise (see Table 2), there appears to be more emphasis at a local level on activities and facilities for children and young people and environmental improvements.

2.2 SAVINGS OPTIONS

In January, we also asked people to put forward any ideas they had for savings options. We received 308 responses from 'Your Money, Your Views'/Community Panel including¹:

Reduce employee/Councillor costs

- Get rid of more senior managers/non-essential jobs (26)
- Reduce Councillor expenses (21)
- Reduce/freeze employees' pay (17)
- Stop final salary pensions and other benefits (10)
- Use volunteers/people doing community service for environmental maintenance etc. (7)
- Manage poor performance (5)

Cut out red tape/waste

- Reduce the frequency/quality of publicity material and review use of translation/interpretation (23) and less consultation (5)
- Buy less stationery/furniture/ICT (13)
- Reduce printing and postage (12)
- Stop all refreshments/lunches/hospitality (9)
- Less meetings (8)

Reduce/change services

- Reduce the number of street lights or use more energy efficient lights (21)
- Reduce/review traffic lights/management (12)
- Proactive road surfacing i.e. do the job properly the first time to save patching several times later (invest to save) (5)

Bring more money in

- Increase fees and charges (13), particularly introduce a small charge for bus passes (6)
- More fines/penalties for people who litter, don't recycle etc. (7)
- Sell land/assets (8)

Get the best price for services

- Outsource/contract out services e.g. catering and review existing contracts e.g. TWS (6)

All issues raised 5 or more times shown (full results will be put on the Council's Website at the end of the consultation period)

Very few of these suggestions related to services provided directly to the public. Therefore, as part of the 'spend and save' exercise we have been asking people to save £5m from a list of 10 services (again providing them with information about how much is spent on these services).

In terms of 'saving' money (Table 3), the top priorities were:

- **Adult Social Care**
- **Roads and Transport**
- **Environment & Waste**
- **Leisure & Culture**

The majority of people reluctantly prioritised Adult Social Care for savings, because of the scale of the budget compared to other areas. Similarly, roads and transport and environment and waste were areas that people felt were important, but where further savings/efficiencies could be made. Support for schools was the lowest ranked priority in terms of 'savings'.

Table 3 – ‘Savings’ Priorities (October 2010)

Service Area (Revenue Budget)	Amount ‘Saved’ (£m)	Rank
Adult Social Care (£35m)	£112m	1
Roads and Transport (£14m)	£83m	2
Environment and Waste (£13m)	£73m	3
Leisure & Culture (£5m)	£70m	4
Jobs and the Economy (£2m)	£46m	5
Housing & Regeneration (£3m)	£44m	6
Other Children and Young People’s Services (£6m) e.g. - Play schemes and activities - Children’s Centres (0-5 years) - Youth service	£41m	7
Children’s Social Care (£19m)	£23m	8
Community Protection (£3m)	£20m	9
Support for Schools (£2m) e.g. - Raising school standards and improving behaviour and attendance - Helping children with Special Educational Needs	£18m	10

Table 4 – Long-Term Investment Priorities (January 2010)

Proposed Investment	% of Panel who strongly supported or supported	Overall ranking (consultation meetings)	Examples of comments and reasons for prioritisation (consultation meetings)
Invest more in roads and pavements	97%	3=	"please repair the crumbling infrastructure", "ice/frost has caused damage", "save money – prevent accidents", "make easier for disabled people", "people's morale affected by shabbiness", "should include public footpaths and bridleways", "everyone uses"
Extra care housing	88%	2	"Need a lot more money – ageing population, demand will increase", "deaf people need to have specialist accommodation ... and not become isolated", "looking after those who need help – better quality of life for elderly and disabled", "need to live independently"
Invest more in street lighting	88%	10	"Really important for older people and deaf people who rely on their eyes", "helps to feel safe"
Improve Borough Town Centres	83%	1	"Places where you can have more specialist shops and community facilities as well", "heart of local communities", "their inhabitants deserve and need to see that their neighbourhood is in its own way as valuable and valued as the Town Centre", "improve local economy", "support smaller business", "everyone has an affinity with one of the six"
Improve recycling facilities	81%	9	"Save the planet!", "save landfill costs/tax", "extend to business/industry"
Improve parks and play areas	74%	8	"We need to maintain along with areas for wildlife", "giving people something to do – reducing crime", "people enjoying their environment", "no more development on green places, access to all"
Create new Sports & Learning Communities	72%	3=	"Schools should have dual roles", "more things for children and young people to do", "more schools like Hadley Learning Community", "investing in children and young people for the future", "local communities can benefit from facilities", "sport important"
Improve New Town Estates	65%	3=	"Because some of them are becoming physically run-down and need restoration", "reducing stigma and reputation", "reducing crime", "improving places we live and community pride", "improve existing housing prior to building more"
Support more new homes	64%	6	"To help local people stay local", "should be more cheaper, rented accommodation and social housing", "especially rural"

			areas and make sure there are more affordable homes”, “happy home helps to maintain happy family”, “growing town – low wage area”
Re-develop Telford Town Centre	38%	7	“Attract people to visit – late night opening/entertainment like ‘Star City’ in Birmingham”, “to improve the economy”, “because it is merely a shopping complex not a town centre”, “Telford needs a ‘heart’”, “create community spirit”, “bring in new wealth, image, attract new businesses”

TELFORD & WREKIN COUNCIL

CABINET – 11th JANUARY 2011

SCHOOL ORGANISATION – BOROUGH TOWNS INITIATIVE – SPORTS & LEARNING COMMUNITY AND UPDATE RE SCHOOL ATTAINING ACADEMY STATUS

REPORT OF HEAD OF FAMILY AND COMMUNITY SERVICES

PART A) – SUMMARY REPORT

1. PURPOSE

- 1.1 The Comprehensive Spending Review 2010 determined that Building Schools for the Future (BSF) legacy projects, including our proposals for sports and learning communities, must be subjected to a strategic review with the aim of identifying cost savings. This report appraises members to the outcome of this review and makes recommendations for a number of changes to the Outline Business Case (OBC).
- 1.2 Cabinet is also asked to consider detailed building proposals for Madeley Academy (part of the Borough Towns Initiative Sports and Learning Communities (BTISLC) Programme), including the granting of an early works contract and requirements for granting leases for two Telford schools acquiring Academy Status.

2. RECOMMENDATIONS

- 2.1 **Note the amendments made to the Outline Business Case for the BTISLC Programme, arising from the Strategic Review for submission to Partnership for Schools (PFS) and Department for Education (DfE), substantially approved by the DfE on 18th December 2010.**
- 2.2 **Authorise the Head of School Improvement in consultation with the Cabinet Member for Children & Young People to submit an Expression of Interest for the establishing a University Technical College (UTC) in Stirchley.**
- 2.3 **Authorise the Head of Family and Community Services in consultation with the Cabinet Member for Children & Young People to approve the Final Business Case for the Madeley Academy sixth form, being delivered as part of the BTISLC Programme for submission to PFS and DfE, subject to the cost being within the estimate set out in Annex 4.**
- 2.4 **Note and approve the decision taken under delegated powers by the Head of Property & ICT in consultation with the Head of Governance to enter into a 1st stage Early Works Agreement with Kier Moss for the building of the Madeley Academy sixth form, to approve the entry into a 2nd stage Early Works Agreement and to approve the entry into a Single**

	Schools D&B Contract together with all other associated contract documentation.
2.5	Authorise the Head of Property & ICT in consultation with the Head of Family and Community Services to negotiate the terms of a 125 year lease for land and buildings with two schools (Priorslee Primary and Newport Girls High School) acquiring Academy status.
2.6	Approve capital budget of £800k to support additional project costs associated with bringing forward the BSF programme.
2.7	Authorise the Head of Governance to execute all necessary agreements and documentation relating to recommendations above.

3. SUMMARY IMPACT ASSESSMENT

IMPACT ASSESSMENT AT A GLANCE	
COMMUNITY IMPACT ¹ ?	Do these proposals contribute to specific Priority Plan objective(s)?
	Yes <i>Children & Young People – supports cross cutting strategic priority for developing sports and learning communities across the borough.</i>
	Are there any measures that will be used to show the proposals are making a difference?
	Yes <i>Improved attainment in schools Reduced facilities management revenue costs for schools. Creating an environment for greater family and community.</i>
	Will the proposals impact on specific groups of people?
	Yes <i>Children, young people, parents and the wider community served by each sports and learning community. The scope of some slc projects has been reduced while for others the opportunity has arisen to increase the scope for change through the BTISLC programme.</i>
TARGET COMPLETION/DELIVERY DATE?	<ul style="list-style-type: none"> • Advance Works Agreement for Madeley Academy to be in place by 31st December 2010 • Madeley Final Business Case approved by DfE by the end of January • Madeley contract in place by end January 2011 • New build school construction contracts in place by end 2011 • The majority of school refurbishment contracts in place by end 2011. • An expression of Interest to create a UTC to be submitted by the end of January 2011

		<ul style="list-style-type: none"> • Two schools to become academies by : <ul style="list-style-type: none"> ○ Feb 2011 for Priorslee Primary School ○ April 2011 for Newport Girls High School
FINANCIAL (VALUE FOR MONEY) IMPACT?	Yes	<p>The Strategic Review of the programme against agreed criteria has resulted in revised proposals leading to a reduction in expenditure of £42.86m which will be matched by a corresponding reduction in BSF Grant funding.</p> <p>The requirement to advance the programme to meet the obligations of the PfS framework has resulted in additional £800k capital expenditure being required, the majority of which will occur in 2011/12.</p> <p>More detailed financial implications are included in Section 5. TS/ER</p>
LEGAL IMPACT?	Yes	See Legal Section at 5.30 and 5.31 below.
OTHER RISKS & OPPORTUNITIES¹?	Yes	<p>A new procurement process may have to be adopted for some school projects.</p> <p>The overall programme will be accelerated to deliver new and refurbished schools earlier than currently planned. The opportunity has been taken to consider an application for UTC status on the Stirchley site. This innovative arrangement brings together a range of partners including national, regional and local employers alongside leading FE and HE institutions to create innovative high quality technically-oriented courses of study in a specialist college equipped to the highest standards. Opportunities will be sought to maximise the outcomes achieved through further review of each individual scheme prior to contract close.</p>
IMPACT ON SPECIFIC WARDS?	Yes	Wards across the Borough will benefit from proposals contained within the revised Outline Business Case.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 The BSF OBC was approved by the government on 27 March 2009. It described the project for each school as shown at Annex 1. Subsequently, through the addition of funding from T&W, Phoenix School was upgraded to a new build on a new site in Dawley, rather than a refurbishment project and the OBC for Wrockwardine Wood Arts College was approved. Although Madeley Academy's new building was constructed outside the BSF programme, the planned extensions to the building to accommodate a new 200 place 6th form will be procured through the BSF process. Additional funding has been provided from the BSF programme for the Madeley Academy project.
- 4.2 The OBC granted a funding allocation of £230.4m. This included the Design and Build construction cost and ICT cost for both the main programme and the additional requirement to deliver the Madeley Academy extension. Excluding Madeley the allocation was £225.7m. The allocation has been rebased to £181.8m (£178.0m excluding Madeley) by applying the funding methodology prescribed by PfS, which takes account of construction industry costs, which have reduced in recent years.
- 4.3 School Organisation: Academy Status – Following successful applications by Newport Girls' High School and Priorslee Primary School, Academy Orders have been issued by the Secretary of State to both schools in line with the Academies Act 2010. It is therefore necessary to grant a 125 year lease for the land and buildings to the Academy Trusts so they are available for use by the Academies from the conversion dates (1st February 2011 for Priorslee Primary School and 1st April 2011 for Newport Girls' High School). The Council's role in granting the lease is to ensure the interests of the Council, children and parents are protected. In the case of Priorslee Primary School, the boundary between the school and the Community Centre on the same site has been formalised and the lease will ensure that the services within the community centre building are protected. In respect of the Newport Girls High School site, arrangements to protect the continuing usage of the playing field by Moorfield Primary School (Foundation School) are also to be formalised in the lease agreement. The land to be leased to each Academy Trust is detailed with a red line on the drawings in Annexes 2 and 3.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Contribution to Council Priorities

- 5.1 We were requested by Department for Education (DfE) to carry out a strategic review of all our programme with a view to reducing the BSF funding requirement by using the government's new assessment criteria of:
- Basic need (pupil places)
 - The existing condition of school buildings, and
 - Local priorities.

- 5.2 The overall aim for DfE is to ensure value for money is achieved through its investment in BSF.
- 5.3 For the purpose of the Strategic Review local priorities have been defined as:
- 5.4 **Value for Money (VFM)** – by adopting a one council, one team, one vision approach achieved by combining capital receipts, BSF funding, other grant funding, other Council, health and partner funding the programme will achieve a range of outcomes across a range of Council and partner priorities. VFM will also be achieved through efficient design and procurement and school organisation i.e. ensuring sufficient secondary school places are available in the right place at the right time.
- 5.5 **Raising attainment and achievement** – by transforming learning across all of our secondary schools we will see improvements in attainment and achievement.
- 5.6 **Sports and Learning Communities (SLC)** – ensuring that a secondary school stands at the heart of each sports and learning community . Each SLC will include a range of facilities and offer a range of services for children, young people, parents and the wider community. SLC form part of the Council's wider economic, social and physical regeneration strategy being a key part of the Council's Borough Towns Initiative (BTI) programme.
- 5.7 Given the need to identify financial savings within the BSF funded element of its BTISLC programme whilst meeting amended DfE priorities the **desired outcomes from the strategic review** (following consultation with DfE through Partnership for Schools (PfS) regards the minimum acceptable change) are defined as:
- a. **Phoenix School.** Construct a new Phoenix School on a new site in Dawley (part of the Council's BTI plan for the regeneration of Dawley). There is already significant investment of council funds in preparatory earth works already underway. This proposal maximises Value for Money – sunk costs and capital receipt to be reinvested in BSF projects - and meets other local priorities.
 - b. **Wrockwardine Wood Arts College.** Construct a new school on a new site at Priorslee to enable the move of Wrockwardine Wood Arts College to the new site to meet basic need including an area of new housing and a local priority. The move will generate a capital receipt from the existing site to be reinvested in the BTISLC programme.
 - c. **Sutherland Business and Enterprise College.** Construct a new Sutherland Business and Enterprise College at the heart of the existing Oakengates leisure complex. The move will generate a significant capital receipt from the existing site to be reinvested in the overall BTISLC programme and will improve the access to sports facilities whilst meeting our local priority of creating a Sport and Learning Community at the heart

of every community. Location of the new buildings alongside the existing sports facilities significantly reduces project costs.

- d. **Ercall Wood Technology College.** Construct new buildings for Ercall Wood Technology College on an adjacent site to address condition problems in a more cost-effective way through the generation of a capital receipt to be reinvested into the school project. The new school will move closer to a primary school, sports and multi-agency facilities creating a more inclusive Sports and Learning Communities.
- e. **The Lord Silkin School.** At The Lord Silkin School, rather than a new-build proposal (it should be noted that our preferred option for new build was considered unacceptable to DfE in view of their revised condition criteria), carry out a remodelling and refurbishment project. This acknowledges the condition needs of the school and reflects local priorities. Lord Silkin already rests at the heart of its community forming the Stirchley Sports and Learning Community. Proposals are also being considered for developing a University Technical College or a Studio School. University Technical Colleges and Studio Schools are developed in partnership with local and national employers, the countries leading education agencies, government as well as local partners. UTC specialise in subjects which require specialised and modern equipment, for example: engineering; product design; sport and health sciences; construction and building support services; land and environmental services; and hair and beauty. Consideration is being given to local employment needs in determining a specialism to pursue. The Council is working with the school and other partners to develop an Expression of Interest for submission to the DfE. It should be noted that both a UTC and Studio School are developed under the Academies programme. Further detailed proposals will be presented to Cabinet for consideration in the spring of 2011
- f. **Other school projects.** For the remainder of the schools: to gain some benefit beyond their 10-year maintenance programme and also the replacement of demountable buildings with permanent ones. The planned projects for new boarding accommodation for Adams' Grammar School at Longford Hall and the construction of an athletics track and stand for Thomas Telford School have been deleted from the programme.

Strategic Review

- 5.8 In order to reduce the cost of new build schools while at the same time delivering an acceptable programme which meets local and national priorities, a range of options were considered for reducing cost including:
- Reducing the number of pupil places provided at new build schools, with a compensating increase in places at other schools.
 - Reducing the area of building provided for the school.

- Reduce the cost / m2 of building by reducing specifications and standardising designs (which also increases the possibility of off-site fabrication).
- Reducing the ICT infrastructure cost within the building by providing improved ICT hardware, in particular, wireless networking
- Considering the need for new build against remodelling or refurbishment .
- Reassessing level of capital receipt available and the implications of potential, additional buying power if the building cost rate per m2 is lower.
- Reviewing the sinking fund for repairs and maintenance to see if any of this could be redirected into the new building.

5.9 A proposed efficiency saving of under 30%, (£43m) was submitted to PfS for consideration on 26th November 2010, 10% less than the saving target initially set by PfS. The revised programme is set out in Annex 4. On the 18th December 2010 the Secretary of State confirmed that with the exception of three projects, Ercall Wood Technology College, Southall Special School and The Burton Borough School, where more information has been requested , projects can continue in accordance with the outcome of the Strategic Review. **The additional information has now been provided and we are waiting to hear from the Secretary of State whether or not it has been accepted**

5.10 It should be noted that the strategic review concentrates on BSF funded elements of the overall BTISLC scheme only. Proposals for other facilities including leisure and health remain unchanged. Detailed proposals for each individual scheme including all components will be presented to cabinet for approval during 2011.

5.11 **Contract requirement.** The PfS Framework Contract that we are obliged to use expires in December 2011, by which time we must have entered into contract with Kier Moss for projects to be constructed under the contract. Projects that have not reached that stage will have to be procured through another route which will cause a delay in implementing the programme. Therefore, the aim is to batch similar projects (new build, remodel or refurbishment) into 3 or 4 contracts, the majority of which to be awarded under the Framework. This approach curtails the planned procurement programme by at least 2 years and will involve a period of intensive work for service delivery teams across the Council.. This will mean an increased need for resources in the earlier years of the revised programme, predominantly in 2011/12.

5.12 **Madeley Academy.** The project at Madeley Academy is to provide teaching accommodation for the 200 student, 6th form course and is due to start in September 2011. The funding for this project is outside the main BSF funding allocation..Cabinet approved the submission of the OBC on 10 Aug 2010. Plans Board considered and approved the planning application on 8 Dec 2011. The Final Business Case (FBC) is currently being prepared for submission to PfS in January 2011. Once approved the council will enter into

a contract with Kier Moss for delivery of a new sixth form on the Madeley Academy site. Although the design of the project is at an advanced stage, PfS has sought efficiency savings. The design has been reviewed in detail, particularly the mechanical and electrical services and the scope of the project has been reduced so that a 5% (£180k) saving has been offered and accepted by PfS.

- 5.13 The Madeley BSF project is running to an exceptionally tight schedule in order for the extension to be open and available for next September 2011. To meet this deadline, Kier need to be on site as soon as possible to start works and also need to begin ordering materials. The current circumstances demand that Kier and the Council enter into an Early Works Agreement (“EWA”) to enable the works to start and the orders to be placed. The total cost of the works under the proposed EWA is in the region of £400,000 and there is a need for a clear authority for the Council to enter into the EWA.
- 5.14 At Cabinet on 23rd March 2010 authority was given to officers to enter into a “Batched D&B Contract” with Kier allowing the Council to give a series of works contracts to Kier without the need for separate procurements. That Batched D&B Contract is still in place. However, as with the Abraham Darby School project, Cabinet is being asked to authorise officers to enter into a Single School D&B Contract for Madeley together with all other associated contract documentation. As a consequence of this report not being presented to Cabinet until 11th January 2011 it has proved necessary to authorise the works which need to be started before then under the proposed EWA.
- 5.15 In accordance with the Scheme of Delegation Section the Head of Property & ICT, in consultation with the Head of Governance has used delegated power in respect of “Any land and property management matters other than housing land” to grant permission to enter into a 1st stage Early Works Contract (EWA) with Kier Moss to the value of £40,000. This decision was taken following notification from the Secretary of State that the Madeley Academy project could continue and after advice that the planned September deadline could not be reached without some early works being undertaken before the middle of January. 2nd stage works, for the remaining £360,000 are to be authorised by cabinet in this report.

Financial (Value for Money) Impact

BTISLC Programme Strategic Review

- 5.16 The financial implications of the Strategic Review are summarised in the following table -

	Cost at OBC	Cost following Strategic Review	Variance
	£000	£000	£000
Strategic Review remit			
Design and Build (D&B)	135,149	94,742	(40,407)
ICT hardware	15,369	13,101	(2,268)
Sub-total	150,518	107,843	(42,675)
Projects outside of remit			
Abraham Darby Academy D&B	25,879	25,879	0
Abraham Darby Academy ICT	1,595	1,595	0
	27,474	27,474	0
Madeley Academy D&B	3,469	3,469	0
Madeley Academy ICT	290	110	(180)
	3,759	3,579	(180)
Sub-total	31,233	31,053	(180)
Total	181,751	138,896	(42,855)

- 5.17 The analysis demonstrates that the Council has made efficiencies of £40.4m on the Design and Build element of the programme from the projects within the Strategic Review remit. This equates to a 30% saving against the OBC cost. Efficiency savings have also been identified against the ICT package of £2.2m equating to 14.6% saving. This equates to a 28.4% reduction in cost overall.
- 5.18 In addition the Sponsors of Madeley Academy have agreed to an overall efficiency saving of 5% of the total capital cost. PfS have agreed that to mitigate the risk of delay to the construction programme the saving in its entirety can be offset against the grant allocation for ICT hardware.
- 5.19 A detailed analysis by school is included at Annex 4.
- 5.20 The Strategic Review has impacted on the BSF Grant programme only and all other grant or partnership funding remains as assumed in the OBC.
- 5.21 Whilst efficiencies identified as part of the overall programme have delivered significant savings against the requirement for BSF grant funding, the planned change to the procurement programme will result in the need for additional resources of £800k to be found by the Council. This is in relation to the

capacity required within the project team to deliver the change - an element of the programme which is not eligible to be funded from the grant. The majority of this additional expenditure will occur in 2011/12. The current expectation is that this will be a re-phasing to existing short-term borrowing requirements. The revenue implications associated with the re-phasing is an additional £45k per annum subject to paragraph 5.23 below.

- 5.22 The changes proposed to the existing OBC programme may potentially have significant impact on the borrowing requirement currently reflected within the Council's overall budget strategy. More detailed work will need to be carried out when the revised programme is confirmed to assess the level of this impact.

BTISLC – Madeley Academy

- 5.23 The funding allocation for Madeley Academy is £3.58m including a 5% efficiency saving.
- 5.24 The funding allocation is ring fenced to deliver the extension to the Academy building. The scope of the project will be agreed in detail with the end user before agreeing the contract. No alterations to the contract, with any adverse cost implications, will be agreed with either the contractor or the end user. This will therefore reduce the risk of an over spend on the project.
- 5.25 The sponsors of Madeley Academy have confirmed that their existing ICT Managed Service will be expanded to cover the increased capacity due to the additional Post 16 provision at the Academy. Funding will be made available through their direct funding streams.
- 5.26 The Sponsors of Madeley Academy fully understand that BSF funding is predicated on the expectation that academies will undertake lifecycle replacement and facilities management and maintain the school to a standard specification.
- 5.27 The Advanced Works Agreement schedules have been submitted by Kier. The total cost of the works for the two stages of the Agreement are circa £400,000. The funding for these works forms part of the cost of the project submitted to PfS as part of the Strategic Review of the Councils BSF Programme. The funding allocation for Madeley Academy, included in the submission, was approved by the Secretary of State on the 18th December 2010, subject to achieving an approved FBC and Contract Close. It is anticipated that the FBC will be approved by the end of January 2011. Funding of this project will not be guaranteed until approval for the FBC is received and the Council will need to fund the full cost of any works undertaken if the FBC approval isn't given.

Academy Programme

- 5.28 Under current arrangements academies are funded directly by the DfE to an amount equivalent to that calculated by the Council using its own Fair Funding Formula for schools. The Authority's allocation of Dedicated Schools Grant is abated by this amount net of any funding provided for SEN resources, which remains a residual responsibility of the Council.
- 5.29 In addition when a maintained school becomes an academy, some of the Dedicated Schools Grant that is retained by the Council for the provision of various functions for schools is taken back via a 'recoupment' process. It then forms part of the funding provided directly to the academy school to allow it to perform these functions itself. Basing calculations on 2010/11 information, this would lead to a loss for the Council of approximately £50,000 for the two schools concerned. In addition, the DfE is currently undertaking a review of academy funding, which is likely to increase the sums recouped. Any such recoupment represents a loss of income to the Council which will need to be reflected in the Council's budget strategy.
- 5.30 A number of council services trade with maintained schools; a service level agreement sets out the service and fee to be charged. These agreements will need to be renegotiated when a school becomes an Academy. The impact of on the income received by the Council from Service Level Agreements (SLAs) with the academy schools will depend upon the decisions made by the academies regarding their use of T&W support services.
- 5.31 There is a potential financial implication regarding the structure of the lease at Priorslee with reference to the adjoining Community Centre. An estimated £20k capital funding may be required to divide services should the lease not be agreed to maintain the status quo.

University Technical Colleges

- 5.32 It is too early to assess the financial implications of UTC provisions. Depending upon the outcome of the Expression of Interest being submitted a full assessment of the financial implications of any proposal will be presented as part of the report for Cabinet consideration in spring 2011.

Legal Impact

Outline Business Case for the BTISLC Programme

- 5.33 The Outline Business Case for the BTISLC Programme arising from the Strategic Review and the Final Business Case for Madeley Academy will need to be submitted to Partnerships for Schools and DfE for approval.
- 5.34 Following the strategic review of the Outline Business Case for the BTISLC Programme the Council and the Contractor will enter into a Deed of Variation to vary the terms of the Batched D&B Contract dated 30 April 2010 in order

that the provisions relating to the expiry date stated therein be extended by one year following the date of the Framework Agreement. This Deed of Variation was entered into and is dated 16th December 2010.

6. PREVIOUS MINUTES

24 Nov 2008 – Planning of School Places – Campus Telford & Wrekin – Approval of the Outline Business Case – Cabinet Minutes - CAB11MIN

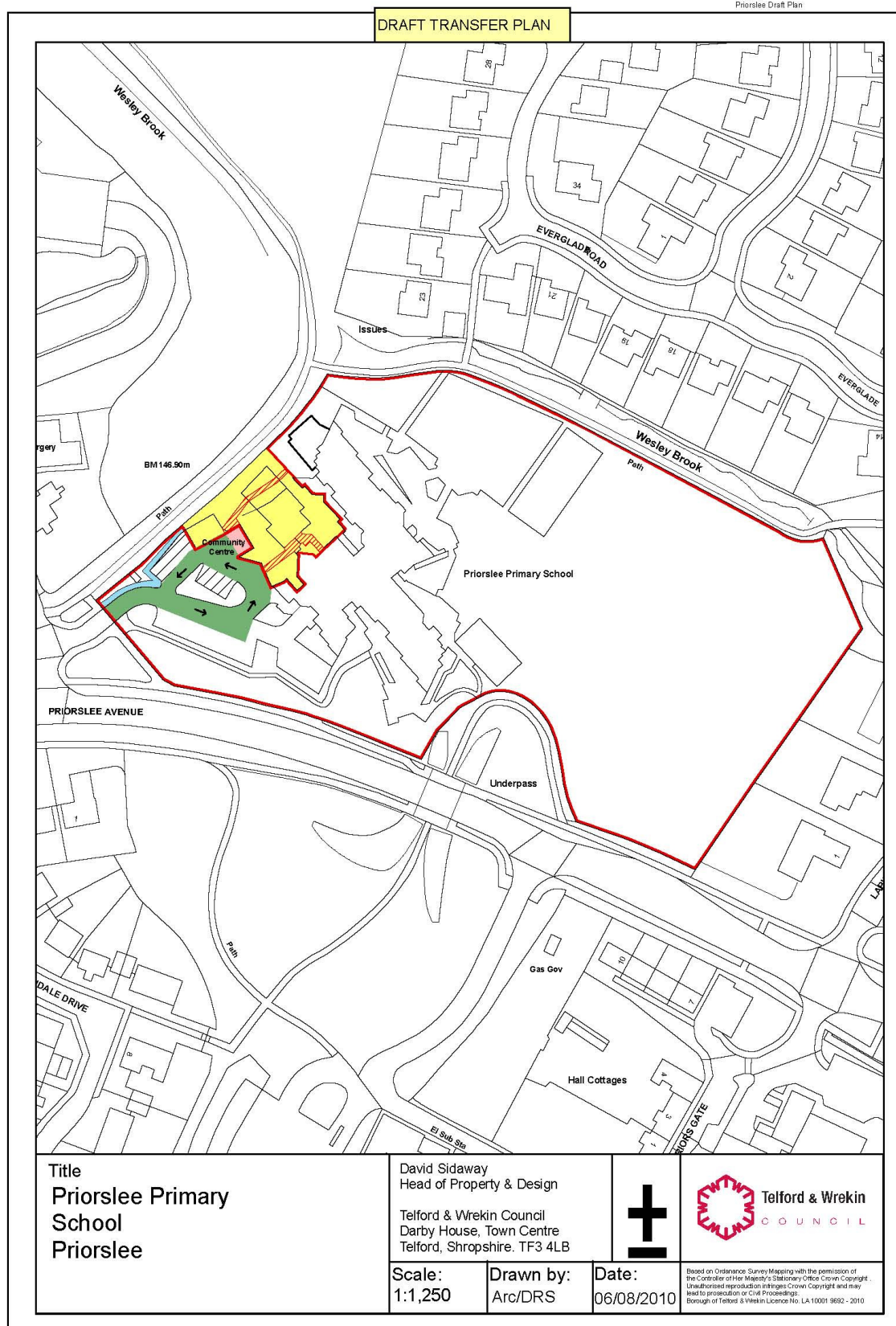
15 Sept 2009 – Planning of School Places – Borough Towns Initiative Sports and Learning Communities – Phoenix new-build approval – Cabinet Minute - CB-60

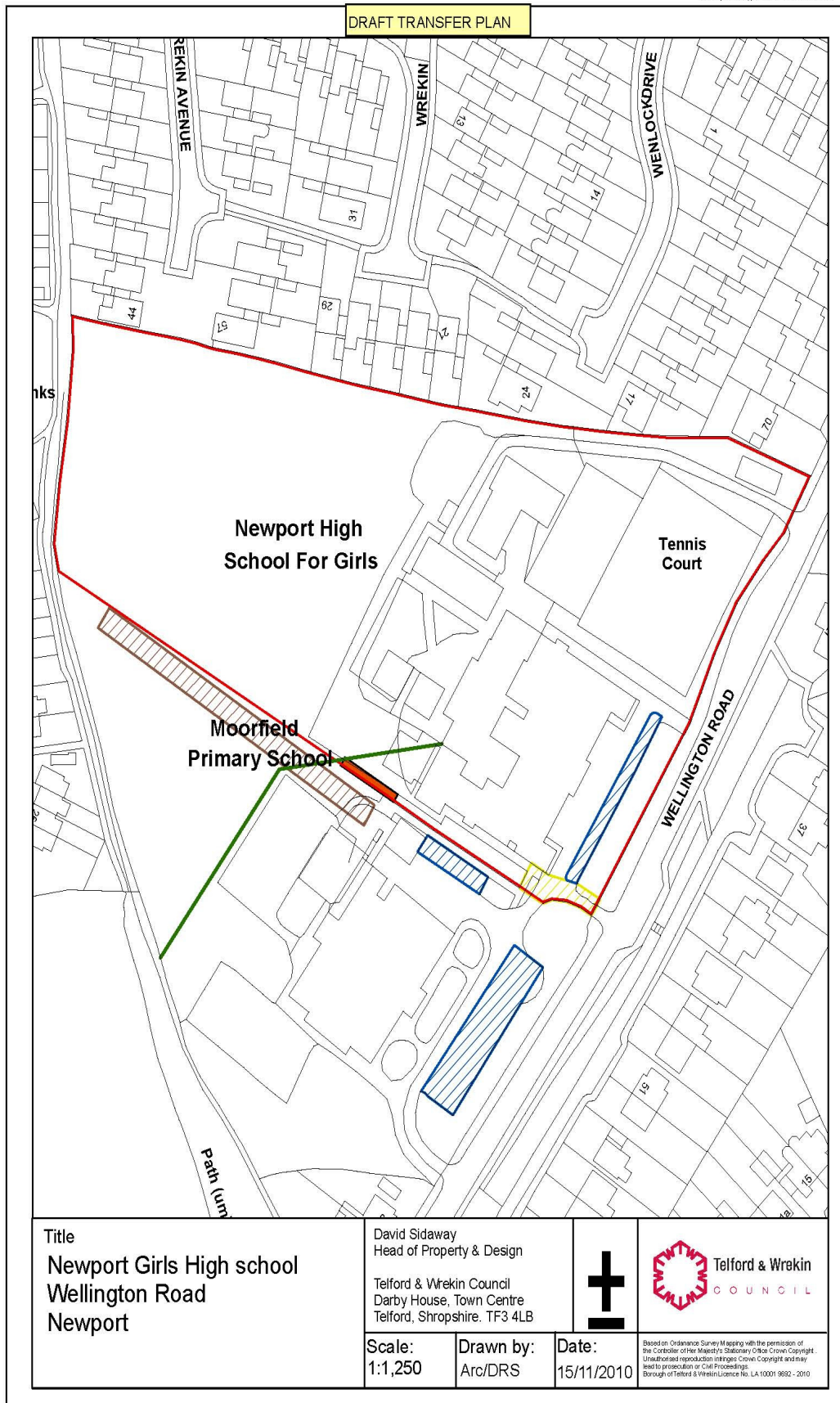
23rd Mar 2010 – Planning of School Places – Borough Towns Initiative Sports and Learning Communities – Approval of Final Business Case and Award of Contracts for BSF and Abraham Darby Sports and Learning Community – Cabinet Minute CB181

**Report prepared by Clive Jones, Head of Family & Community Services,
Telephone: 01952 380900**

BTISLC Strategic Review Cabinet Report – Existing Programme

School	Proposed Works
Abraham Darby Academy	Rebuilt as an academy on the existing site. Co-located with Woodlands Primary School and leisure facilities, including a swimming pool.
Adams' Grammar School	Refurbished to address suitability and condition issues. Senior boys boarding to be relocated to the Longford Hall site.
Blessed Robert Johnson Catholic College	Remodelled on the existing site.
The Burton Borough School	Remodelled on the existing site.
Charlton School	Remodelled on the existing site.
Ercall Wood Technology College	Remodelled on the existing site.
The Lord Silkin School	Rebuilt on the existing site. Co-located with Stirchley Primary School and Three Oaks Primary School, and a new Post-16 Skills Centre.
Madeley Academy	Extension to provide 200 6 th Form places.
Mount Gilbert Special School	Refurbished to address condition backlog and suitability requirements.
Newport Girls' High School	Refurbished to address condition backlog and construction of new teaching block to replace existing demountables.
The Phoenix School	Rebuilt on nearby site.
Southall Special School	Build two-court sports hall and associated changing and address suitability requirements.
The Sutherland Business & Enterprise College	Rebuilt on the Oakengates Leisure Centre site.
Thomas Telford School	Provide new outdoor sports facilities on site adjacent to school.
<i>Wrockwardine Wood Arts College</i>	<i>Rebuilt on new site in Priorslee.</i>

Priorslee Primary School - Draft PlanAnnex 2
Priorslee Draft Plan

Newport Girls High Draft PlanAnnex 3
Newport High School Draft Plan

Detailed Analysis by School – Following Strategic Review

School Organisational – BTISLC Strategic Review, approval of Final Business Case for Madeley Academy and update re school attaining Academy status

Appendix 1 - Financial implications or the Strategic Review by school

	Design and Build			ICT Hardware			Overall Variance
	Cost at OBC	Cost post Strategic Review	Variance	Cost at OBC	Cost post Strategic Review	Variance	
	£000	£000	£000	£000	£000	£000	
Projects within Strategic Review remit							
Adams' Grammar School	3,020	4,278	1,257	1,102	990	(112)	1,145
Blessed Robert Johnson Catholic College	12,569	5,510	(7,059)	1,063	954	(108)	(7,167)
Burton Borough School	9,625	9,039	(586)	1,784	1,602	(182)	(768)
Charlton School	8,813	7,158	(1,655)	1,636	1,469	(167)	(1,822)
Ercall Wood Technology College	13,043	13,004	(40)	1,201	1,078	(122)	(162)
The Lord Silkin School	18,805	6,769	(12,035)	1,302	1,169	(133)	(12,168)
Newport Girls' High School	3,413	2,016	(1,397)	609	547	(62)	(1,459)
Phoenix School	17,636	13,782	(3,855)	1,305	1,172	(133)	(3,988)

Sutherland Business and Enterprise College	15,153	13,246	(1,907)	819	736	(84)	(1,991)
Thomas Telford School	3,679	0	(3,679)	1,798	915	(883)	(4,562)
Wrockwardine Wood Arts College	22,798	16,482	(6,316)	1,570	1,410	(160)	(6,476)
Mount Gilbert Special School	1,092	808	(284)	57	51	(6)	(290)
Southall Special School	2,216	2,216	0	232	208	(24)	(24)
Pupil Referral Units	601	434	(167)	78	70	(8)	(175)
Longford Hall	2,684	0	(2,684)	0	0	0	(2,684)
HLC	0	0	0	761	684	(78)	(78)
The Bridge School	0	0	0	53	48	(5)	(5)
Sub-total	135,149	94,742	(40,407)	15,369	13,101	(2,268)	(42,675)
<u>Projects outside Strategic Review remit</u>							
Abraham Darby Academy	25,879	25,879	0	1,595	1,595	0	0
Madeley Academy	3,469	3,469	0	290	110	(180)	(180)
Sub-total	29,348	29,348	0	1,885	1,705	(180)	(180)
Total	164,497	124,090	(40,407)	17,254	14,806	(2,448)	(42,855)

Further clarification sought by Secretary of State

TELFORD AND WREKIN COUNCIL

CABINET -11th JANUARY 2011

MARCHES LOCAL ENTERPRISE PARTNERSHIP

REPORT OF HEAD OF ECONOMY AND SKILLS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 In response to a government invitation for ‘partnerships of local authorities and business’ to establish Local Enterprise Partnerships, the Marches Local Enterprise Partnership proposal was submitted on behalf of Herefordshire, Shropshire and Telford and Wrekin. That proposal was endorsed by the Government on 28th October 2010. This report seeks Cabinet approval to involvement in the Partnership, and seeks delegated authority to endorse a bid to the Regional Growth Fund to help the Partnership deliver its priorities.

2. RECOMMENDATIONS

- 2.1 That Cabinet exercises the discretionary powers under Section 2 of the Local Government Act 2000 (promotion of wellbeing) in agreeing the recommendations in this report;
- 2.2. To endorse the Council’s involvement in the Marches Local Enterprise Partnership;
- 2.2 To delegate authority to the Corporate Director following consultation with the Cabinet Member for Housing Regeneration and Prosperity, to approve and submit and/or support bids for funding to the Regional Growth Fund.
- 2.3 To grant delegated authority to the Head of Economy and Skills to undertake all steps to progress development of the Marches Local Enterprise Partnership.

3. SUMMARY IMPACT ASSESSMENT

IMPACT ASSESSMENT AT A GLANCE	
COMMUNITY IMPACT?	Do these proposals contribute to specific Priority Plan objective(s)?

	Yes	<i>Supports the delivery of all objectives within the Housing, Regeneration and Prosperity Priority Plan</i>
	Are there any measures that will be used to show the proposals are making a difference?	
	Yes	<i>A 2011/2012 business plan for the Marches Local Enterprise Partnership is being developed, specifying performance measures and outcomes</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The Marches Local Enterprise Partnership will support the development of the local economy for the benefit of businesses and residents in or seeking employment</i>
TARGET COMPLETION/DELIVERY DATE?	The Marches Enterprise Partnership will be operational from 1 st April 2011, Regional Growth Fund project proposals will be delivered as specified in those proposals	
FINANCIAL (VALUE FOR MONEY) IMPACT?	Yes	<i>Telford and Wrekin's engagement in the Marches Local Enterprise Partnership may have financial implications for the Authority. The governance, partnership and funding agreements have yet to be established and so it is not possible to assess the full financial impact and risks at this stage. Financial support will be provided as required. Please see paragraph 5.5 for further finance comment.</i>
LEGAL IMPACT?	Yes	<i>The Marches Enterprise Partnership has no legal status in its own right at the present time. Legislation regarding Local Enterprise Partnerships is still awaited. The Council has power to submit and/or support bids for Regional Growth Funding by virtue of Section 2 of the Local Government Act 2000 (the wellbeing powers). Please see below for further legal comment.</i>
OTHER RISKS & OPPORTUNITIES?	Yes	<i>The Marches Local Enterprise Partnership offers the opportunity to secure additional powers and resources to deliver effective economic regeneration</i>
IMPACT ON SPECIFIC WARDS?	No	<i>The Marches Local Enterprise Partnership offers the opportunity to develop the economy of the whole Borough more effectively</i>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 A report to Cabinet on 14th September 2010 set out details of a proposal submitted to Government to establish a 'Local Enterprise Partnership' for Herefordshire, Shropshire and Telford and Wrekin – the Marches Enterprise Partnership. Cabinet endorsed the outline proposal and agreed to further development and implementation of that proposal if endorsed by government. The Marches Enterprise Partnership was endorsed by the Government on 28th October 2010.
- 4.2 The Partnership Board is private sector led, comprising the three Local Authority Leaders; three (private sector) business board Chairs, and an independent private sector Chair. This is an executive model, with business engagement through the business boards, including the Telford and Wrekin Business Board. The Board has been meeting on a monthly basis, has established business planning groups, held a business forum, and co-ordinated a proposal to the Regional Growth Fund. At the time of writing, the process of recruiting a Chair was underway.
- 4.3 Business Planning Groups have been established to help develop a three year Business Plan which will commence on 1st April 2011. These groups have developed priorities for each of the themes of the Partnership proposal: enterprise; transport and infrastructure; employment, education and skills; planning and housing; and sustainability. These emerging priorities were discussed at a business forum on 18th November 2010 attended by businesses from across the Marches area. The strategic leadership theme will be developed by the Board following appointment of a Chair. A summary of these emerging priorities is attached at Appendix 1.
- 4.4 The Marches Enterprise Partnership proposal supports the Council's Housing Regeneration and Prosperity Priority Plan objectives which contribute to the Sustainable Community Strategy Vision of "A successful, prosperous and healthy community which offers a good quality of life for all the people of Telford & Wrekin":
- Encouraging Investment, Innovation and Growth
 - Promoting the Area as a Business and Leisure Tourism Destination
 - Improving Adult Skills to Meet the Demands of a Growing Modern Economy
 - The Renaissance of the Town Centre
 - Revitalising and Conserving the Borough Towns
 - Securing Sustainable Housing Development
 - Ensuring Communities have a Sustainable Future through Housing led Regeneration

Partnership involvement implications

- 4.5 There are no additional resources available to support Local Enterprise Partnerships. The Marches Local Enterprise Partnership is an executive and co-ordinating body supported by the three Local Authorities involved. In order to manage resources including external funding, governance arrangements will need to be agreed. This could involve the establishment of a separate legal entity; one Authority acting as an 'Accountable Body' on behalf of the Partnership; or accountability split between the three participating Authorities. The Partnership Board has decided not to take a decision on governance until a Chair has been appointed. A further report will be presented to Cabinet seeking endorsement of the governance model proposed.
- 4.6 To support administration (including expenses for the appointed Chair), each Authority has committed £10,000 per annum. This will be drawn for the Council's existing economic development budget.
- 4.7 Involvement in the Marches Local Enterprise Partnership will have direct implications for the economy and skills functions of the Council. The government has made it clear that Local Enterprise Partnerships will be the sub national mechanism to support businesses to create jobs. The Authority cannot therefore deliver economic development and employment support in the Borough without actively participating in a Local Enterprise Partnership. Despite additional resource implications, as the Marches Enterprise Partnership develops, there is the potential for more efficient and effective delivery of services through the collective economic development and skills resource of the three participating authorities and other agencies. Local Enterprise Partnerships are also intended to enable the business community to engage more effectively in development that creates the conditions for economic growth. In particular, the Marches Enterprise Partnership will bring a business voice to planning, housing and transport development in the Borough. An officer co-ordinating group has been established in the Council to develop appropriate mechanisms.
- 4.8 To deliver the Borough's economic priorities, the Authority will continue to work with partner organisations outside the Marches Enterprise Partnership, in particular working with the Black Country in developing and delivering skills and manufacturing support. Participation in the Marches Enterprise Partnership does not preclude such work now, or in the future.

Regional Growth Fund proposal

- 4.9 The Government has established a £1.4bn Regional Growth Fund to support initiatives that help create private sector jobs, to compensate for anticipated job losses in the public sector. Details of the Fund were set out in the White Paper 'Local Growth: realising every place's potential' published on 28th October 2010. The fund will cover a three year period commencing April 1st 2011. Local Enterprise Partnerships are eligible to bid for Regional Growth Funds (as are other bodies). The Partnership Board has sought ideas for Regional Growth Fund projects and identified a package of initiatives that will help deliver the Partnerships emerging priorities and meet the Growth Fund criteria. The bids being considered as part of that package at the time of writing are summarised at Appendix 2. The deadline for submission of

Regional Growth Fund bids is 21st January 2011. Cabinet is therefore recommended to delegate authority to the Corporate Director in consultation with the Cabinet Member to endorse the Marches Regional Growth Fund Submission on behalf of the Borough.

- 4.10 In addition to bids submitted as part of the Marches Enterprise Partnership package, a number of proposals are being developed by independent bidders in the Borough. Technical support is being provided to those bidders, and where requested and appropriate, the Council will confirm that these proposals support the priority plan objectives set out in paragraph (4.4)

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Legal impact

- 5.1 The Council has power to do anything which it considers is likely to achieve any one or more of the promotion or improvement of the economic, social or environmental wellbeing of the area under Section 2 of the Local Government Act 2000.
- 5.2 Before relying on the wellbeing power the Council must have regard to the Guidance issued by the Secretary of State in relation to the use of the wellbeing power, and in determining whether to or how to exercise that power the Council must also have regard to its Sustainable Community Strategy. Cabinet is referred to paragraph (4.4) above for further information about this.
- 5.3 Clear governance agreements for the emerging LEP will be essential to ensure clarity about work streams, resources, legal and financial liabilities, and hence will help to ensure success. This is particularly important where a LEP may not have legal identity of its own, as in the case of the Marches Enterprise Partnership.
- 5.4 Bids for funding to RGF will also need to be submitted with clarity around the legal identity of the applicant for funding, the accountable body for that funding, and any future offer of grant funding from RGF to the Council will need to be reported back to Cabinet and full Council for further approval. At the present time it is not known what conditions might be attached to RGF grant offers, and this will need full assessment by project officers, together with legal and finance officers should a grant offer be made.

Financial impact

- 5.5 Telford and Wrekin's engagement in the Marches Local Enterprise Partnership may have financial implications for the Authority. The governance arrangements and partnership and funding agreements have yet to be established and so it is not possible to assess and quantify the full financial impact and risks at this stage.
- 5.6 No additional resources have been made available to support the Local Enterprise Partnership, therefore existing staff, professional support and budgets will be utilised to support this initiative. This will include, at a minimum, £10,000 pa to support the administration and expenses of the

Partnership, plus the time of economic development, legal and finance officers. The potential resource implications may be higher dependant upon the decision on accountable body status and financial advice will be provided as requested during these discussions. As noted in paragraph 4.7 the opportunities for collective working will be explored.

- 5.7 Bids to the Regional Growth Fund are currently being worked up by economic development officers. Before submission the bids will be validated to provide an assessment of the financial implications on the Authority. If the bids are successful, the details of the funding agreements will be reviewed by finance officers in order to ensure that any risks are identified and managed and grant opportunities are maximised.
- 5.8 If delegated authority is granted, it is recommended that arrangements are established to ensure that the Corporate Director and Cabinet Member are adequately briefed in order to support the approval and submission of bids, and to ensure that the financial and legal implications of the development of the Marches Local Enterprise Partnership arrangements are identified and managed.

6. PREVIOUS MINUTES

- 6.1 Minutes of the Cabinet meeting, 14th September 2010.

7. BACKGROUND PAPERS

- 7.1
- i. Letter from the Secretaries of State for Communities and Local Government and Business Innovation and Skills, to Local Authority Leaders and business leaders dated 29th June 2010, entitled 'Local enterprise partnerships'.
 - ii. The Marches Local Enterprise Partnership Proposal, August 2010
 - iii. Report to Cabinet 'A Local Enterprise Partnership for Herefordshire, Shropshire, Telford and Wrekin (Marches Enterprise Partnership). 14th September 2010
 - iv. White paper, 'Local Growth: realising everyone's potential', 28th October 2010

Appendix 1 – Draft Marches Enterprise Partnership Business Plan Priorities
Appendix 2 – Summary of Draft Marches Enterprise Partnership Regional Growth Fund Proposal

The Marches
Local Enterprise Partnership



Draft Marches LEP Business Plan Priorities

1. Transport and Infrastructure

- 1.1 Road Infrastructure priorities include the Shrewsbury and Hereford relief roads, improvements to the connectivity of Telford Town Centre to the M54, the Hereford ESG Link Rd and improvements to the A5 junctions at Oswestry.
- 1.2 Rural public transport needs to be a priority where it supports employed people. In Telford, work is required to link the 3 key employment areas with public transport.
- 1.3 Rail improvements include improvements to the physical access to stations around the Marches, the long term development of a parkway station for Shrewsbury and Telford. The capacity rather than the frequency of trains in the Marches is the issue and the LEP could look to influence the TOC to put on more carriages. Also longer term issues are the improvements to line speed and the electrification of the line to Shrewsbury which would bring fast direct services to London. It will be important for the LEP to get sight of Network Rail's capital programme.
- 1.4 The major electricity issue for the Marches is at Whitchurch. The LEP should also support renewable energy projects to access the grid through lobbying the electricity companies. Future development across the area will bring additional capacity requirements and the LEP should keep a watching brief on these.
- 1.5 Water drainage and sewerage are constraining growth in Hereford and Leominster. The LEP should support the development of flood alleviation management plans to mitigate climate change.
- 1.6 The LEP should defer to the recommendations of the workspace studies being conducted around the counties to make sure there's adequate supply and quality of employment land and workspace provision. There is potential to expand the Food Enterprise Centre in Shrewsbury and to continue to roll out the rural enterprise centre model.

2. Transport & Infrastructure - Broadband

- 2.1 No business should be prevented from accessing the broadband capacity that it needs to increase its productivity in the Marches.

- 2.2 The LEP should host the future face of broadband events to improve business usage and focusing on the value added bandwidth rather than bandwidth for bandwidths sake.
- 2.3 The LEP should build on the Ludlow/Leominster/Tenbury Rural Broadband project, Shropshire WAN Loop, BDUK project in South Herefordshire and possible investment from BT and the access to high capacity backhaul across the area that these will provide.
- 2.4 The LEP should look to procure ways of getting this bandwidth to the furthest areas of the Marches in partnership with the rural hubs and CLA to access sites at low cost. Where small community networks exist ways should be found to link them to the higher quality backhaul or seek agreement to absorb them into the larger scheme to make them more sustainable and improve quality.
- 2.5 The LEP would need to draft in specialist Procurement and state aid support. The LEP should look to provide this through the council's legal teams.
- 2.6 A long term aim of the LEP could be to join up the public sector networks.
- 2.7 Other projects could include using the community levy to get fibre from the backbones into business parks where BT are unlikely to do so.
- 2.8 The LEP could help in providing free access through and on publicly owned sites and also providing business rate relief on the fibre in the ground.
- 2.9 The LEP should work with the Planning and Housing Group to understand how new developments can be required to lay the ducting for fibre through the S106 or even using the S106 for a generic broadband fund.

3. Housing & Planning

- 3.1 The LEP should endorse a high level statement which is pro growth and sets out the housing numbers, areas of commonality in the 3 planning systems and the standards that businesses should expect from the planning process. This would also be the basis for a campaign to improve attitudes towards growth and promote early engagement in the planning process by businesses wishing to develop e.g. through showing planning policy at work. The LEP should also continue to understand the barriers to growth to ensure the LEP challenges the system. This should be one of the main questions asked at the business event.
- 3.2 Roll out the Shropshire Place Plan concept throughout the area
- 3.3 Work to understand how local housing providers are an economic driver. RSLs will identify all the things they do to stimulate the economy.

- 3.4 Bring together the public sector asset base and bid for funds to retrofit the properties. This will reduce the carbon footprint of the Marches, increase local economic activity and stimulate the local low carbon economy.

4. Enterprise

- 4.1 The LEP should be aspirational but realistic about what it can achieve in terms of business support.
- 4.2 Recognise the importance of business networks and support them to succeed. The LEP should facilitate a series of events promoted to new businesses and those which don't engage currently to expose them to the benefits of networking and peer to peer support. All the local networks should be brought together in one place to achieve this. This could also be achieved virtually. The LEP could also assist in establishing networks in sectors or areas if there are gaps.
- 4.3 The LEP should look to stimulate local supply chains by bringing local businesses together
- 4.4 Implement a shared apprentice scheme for SMEs to take people on part time.
- 4.5 The LEP should look to develop a voucher scheme to encourage businesses to invest in the skills that allow them to grow. These should be available at the pivotal lifecycle stages of business development to ensure best value is achieved. These should be defined by the business rather than be prescribed and should be redeemable with locally accredited consultants.
- 4.6 The LEP has a role to play in matching venture capital with people in search of investment. This could include encouraging people to invest redundancy funds into business ventures.
- 4.7 Encourage those at risk of redundancy to consider self employment.
- 4.8 The LEP needs to raise awareness of the mentoring schemes that are already happening in the area and encourage more people to participate.
- 4.9 The LEP should aid local procurement by making sure businesses are aware of the opportunities in the public and private sector.
- 4.10 There could be a Marches brand developed to encourage inward investment and to build an awareness of the benefits of the Marches area.

5. Employment, Training and Skills

- 5.1 The LEP should support short and sharp training defined by businesses which is customer and not all qualifications led.

- 5.2 The LEP should support and use existing organisations e.g. the care sector's social care partnership, to increase training and jobs in those sectors and allow businesses to share costs. Where groups don't exist, the LEP should support their establishment with seed corn funding.
- 5.3 The LEP should assist sector groups and trade organisations by negotiating provision with providers.
- 5.4 Communication with business should happen virtually through the use of linked in to allow people to engage on their terms.
- 5.5 The LEP could look at how it can help small business share apprentices between business in sectoral groups. The apprentice would achieve a higher skill level and gain a greater exposure to employers. A Marches wide matching agency which could build on existing projects could provide opportunities for people of all ages.
- 5.6 The LEP needs to find ways to help young people into apprenticeships whatever their needs including disabled people who need an expectation of work. The problem is often in getting young people into existing opportunities not the flow of opportunities available so the LEP needs to understand what the barriers are.
- 5.7 We need to learn to celebrate technical as well as academic achievements. The LEP needs to influence secondary schools and parents and change the culture and attitude towards both apprenticeships and certain sectors. This needs to be linked to raising expectations and profile of apprenticeships with local people showing that it's a valid alternative to HE. Social media could also play a part in communicating this message to young people.
- 5.8 Transport is also an issue for young people and the LEP should continue to support initiatives like wheels to work.
- 5.9 With public sector redundancy and service cuts on the horizon, the LEP should assist in promoting the take over of services by social enterprise / cooperatives. Support in this area could be built into the redundancy support schemes being offered by public organisations to highlight it as an option and make support available if there's interest.
- 5.10 The LEP could look at how it harnesses social capital such as the Cooperative and others to invest in local enterprise.

6. Sustainability

- 6.1 The LEP should ensure that sustainable principles are built in across all the theme areas and that all its actions are sustainability boosted / proofed.

- 6.2 The LEP should roll out BESST across the Marches to reduce the carbon footprint and costs to local business.
- 6.3 The LEP should create a brand for the area making it identifiable for expertise in land management, carbon efficient farming and biomass. This will allow the Marches to maximise the underutilised natural wood resource and take advantage of the renewable heat incentive. In the longer term this may require the LEP support for interventions in the provision of infrastructure like processing depots.
- 6.4 The LEP must raise the awareness of the RHI among the community which will have positive benefits for companies like Midlands's Wood Fuel and Euro Heat among others by stimulating the market.
- 6.5 The LEP should raise awareness of the low carbon sector as a career, a green academy could stimulate apprentices which could be shared across a number of small businesses allowing them to test different fields. This could be assisted through MET NET.
- 6.6 There will be £200bn invested nationally in the low carbon economy over the coming years; the LEP needs to ensure the Marches gets more than its fair share of this market. It should prime local business through met net for the opportunities ahead, seek support to up skill local business in the installation and maintenance of emerging technologies and engage venture capitalists to invest in small scale renewable. The latter could also include raising the opportunity among those at risk of redundancy as a good place to make small scale investments.
- 6.7 The LEP should make an early bid for funds from the climate change skills fund through Sustainability WM to get funds to raise awareness with decision makers and the business community of the need to grow the renewable energy sector. This should have a positive impact on planning and fits with the growth agenda of the housing and planning group.

Summary of Marches Enterprise Partnership Regional Growth Fund (RGF) Round 1 bid

57 project ideas were submitted in response to the call for ideas, against the recently published Regional Growth Fund (RGF) guidance. A working group has met to discuss the eligibility of the various ideas submitted during the call. This has been done objectively with the only consideration being whether or not the projects would meet the Department for Business, Innovation and Skills criteria for Round 1:

Round 1 RGF Criteria

- Planning needs to be in an advanced stage for capital projects
- The end private sector beneficiaries must be known (this discounts a lot of the proposed access to finance and business support activity but these projects will be eligible under round 2)
- The project must deliver a high private sector job yield per pound invested
- Projects must comply with state aid criteria
- Projects must bring in private sector funding
- There must be a clear market failure
- The project must represent the lowest cost option to achieve the required result
- Project must be deliverable within the timeframe prescribed

The eligibility of the project ideas have been tested against the guidance on the Regional Growth Fund and the criteria for Round 1. A number of advanced project ideas meet the RGF criteria and are being worked up into robust applications for RGF within the timescale available.

Herefordshire

1. Hereford Inner City Connectivity – Phase 1
 - RGF Value £5.5m – Potential for ERDF to be explored
 - Jobs yield 1,200
2. 3 Elms Trading Estate
 - RGF Value £1.5m – Potential for ERDF to be explored
 - Jobs Yield 100

Shropshire

1. Whitchurch Electricity Supply
 - RGF Value £3.8m
 - Jobs Yield 200
2. Enterprise Centres
 - RGF Value £3m
 - Jobs Yield 200
3. Queens Head (Tourism Project & Marina)
 - RGF Value £0.5M
 - Jobs Yield 200

Telford

1. Centre of Excellence in Precision Farming (Harper Adams)
 - RGF Value £2.5m – Potential for ERDF
 - Job Yield TBC
2. Box Road linking the Telford International Centre with the Town Centre
 - RGF Value £3.4m – Potential for ERDF
 - Job Yield 5,000 (apportioned from Southwater development)
3. Enterprise Village - Board to discuss special support for this bid which will be submitted independently of the Marches LEP

A number of individual project ideas were submitted that were not at a sufficient advanced stage to come forward for the first round. These projects will be supported further and will be assessed against the RGF criteria for future bidding rounds.

TELFORD & WREKIN COUNCIL

CABINET – 11th JANUARY 2011

DELIVERING THE LOCAL INVESTMENT PLAN 2010 - 13

REPORT OF THE STRATEGIC HOUSING & DEVELOPMENT PLANS MANAGER

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To provide Cabinet with an update on the projected delivery of housing in the borough through the Local Investment Plan (LIP), the Local Housing Strategy and the Council's approved Capital Investment Programme. Also to seek further delegation to ensure delivery of these schemes.

2. RECOMMENDATIONS

- 2.1 That the report is noted.
- 2.2 That Cabinet exercises the discretionary powers under Section 2 of the Local Government Act 2000 (promotion of wellbeing) in agreeing the recommendations in this report.
- 2.3 That delegated authority is granted to the Strategic Housing & Development Plans Manager, following consultation with the Cabinet Member for Housing, Regeneration & Prosperity and the Cabinet Member for Adult Care & Support, to undertake and/or authorise all steps to give effect to and implement the Housing Strategy and Local Investment Plan.
- 2.4 That delegated authority is granted to the Head of Property & ICT to negotiate and, following consultation with the Cabinet Member for Housing, Prosperity & Regeneration, to enter into such land and property transactions as give effect to and implement the Housing Strategy and Local Investment Plan.
- 2.5 That the Head of Governance be granted delegated authority to execute such documents as are necessary or appropriate to give effect to the recommendations in this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	HOUSING, REGENERATION & PROSPERITY PRIORITY PLAN ADULT CARE & SUPPORT PRIORITY PLAN
	Will the proposals impact on specific groups of people?	
	Yes	The proposals will impact generally upon any person in the borough with an unmet housing need. This includes people who are older, have a disability or live in rural areas.
TARGET COMPLETION/ DELIVERY DATE	The programme will be delivered over 2010/11 and 2011/12.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	As highlighted in paragraph 4.4 the 2010/11 – 2013/14 Capital programme includes an allocation of £1.35m in 2010/11 for the enabling programme. The scheme balance of £0.65m is included within the 2011/12 allocation. Additionally, the allocation for the completion of the Lightmoor Extracare scheme and the additional Extracare scheme(s) (i.e. £1.2m) is within the 2011/12 Capital Programme.
LEGAL ISSUES	Yes	The Council has the power to do anything which it considers is likely to achieve any one or more of the promotion or improvement of the economic, social or environmental wellbeing of the area under Section 2 of the Local Government Act 2000. Many of the strategies and programmes in the LIP and the Housing Strategy have been developed in order to achieve these “wellbeing” objectives. Before relying on the wellbeing power the Council must have regard to the Guidance issued by the Secretary of State in relation to use of the wellbeing power, and in determining whether to or how to exercise that power the Council must also have regard to its Sustainable Community Strategy. In relation to the provision of grant funding to Registered Social Landlords to ensure delivery of affordable housing units in the borough, there is also a specific power contained in Section 22(3) of

		<p>the Housing Act 1996 for local authorities to make grants to registered social landlords, which underpins the proposals contained in this report for the provision of grants to support the delivery of new affordable housing in the borough.</p> <p>The delegated authorities recommended in this report would only be exercisable after consultation with the Cabinet Members for Regeneration and Adult Care & Support, and would only be exercisable within budgets which have already been approved by full Council.</p> <p>Financial transactions with third parties must be governed by appropriate legal agreements to impose legal obligations on those third parties to deliver the required outcomes. Where appropriate, the Council should also seek to protect its grant funding and investment through the taking of securities and guarantees</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Appropriate legal funding agreements will be put in place to protect the Council's investment.
IMPACT ON SPECIFIC WARDS	No	Proposals set out in this report have potential implications for households in all wards across the borough, although schemes will be located in specific areas.

4. INFORMATION

- 4.1 The Local Investment Plan (LIP) for Telford & Wrekin, 2010–2013: *Recovery, regeneration and growth* – approved by Cabinet in January 2010, sets out a long term programme of joint investment by The Council and the Homes and Communities Agency (HCA) in housing and regeneration in the borough.
- 4.2 The LIP brings together a range of internal and external resources, including the Council's Housing Capital Programme. The latter helps to lever in other significant investment from the Department of Communities & Local Government (DCLG), Homes & Communities Agency (HCA), the private sector and housing associations. The main outputs from the LIP include:
- The delivery of new market housing
 - The delivery of new affordable housing, including specialist and general provision.
 - The renewal or adaptation of the existing housing stock of the borough.
 - Tackling homelessness and supporting people who are vulnerable.

- 4.3 Investment in existing housing stock is delivered through a range of established mechanisms, including planned funding programmes and reacting to expressed demand. The delivery of new housing is achieved through a number of sub-programmes, working jointly with the HCA, including:
- The Small Sites programme.
 - The Market Intervention Fund
 - A housing enabling grant funding programme
 - Other enabling initiatives
- 4.4 The Council's housing enabling programme is currently projected to deliver 61 new affordable homes over 2010/11 and 2011/12, in return for a total investment by the Council of some £2 million (average cost per unit £32,800). The Council's contribution will also lever in additional external investment of £5.3 million (260%), as part of an overall package of £7.3 million. These outputs exclude the Council's contribution to the new extra care housing scheme at Lightmoor, for which the balance of £200,000 is programmed for 2011/12. The 2011/12 Capital Programme also provides other resources still to be allocated, including the balance of enabling funds and a further sum of £1 million to contribute to a package of funding for an additional Extra care housing scheme.
- 4.5 As described in the LIP, the programme will be delivered by the provision of grant funding by the Council to established local housing association partners, through a number of small schemes across the borough. For example:
- helping to make best use of the existing stock of the borough and meet the housing needs of the ageing population by the provision of 12 or 13 bungalows on a site close to Malinslee local centre.
 - bringing the long term empty property at London House, Park Street, Madeley back into housing use by the creation of 7 apartments for people with a learning disability.
 - meeting general housing needs, including two small infill schemes in Oakengates (to replace empty or defective properties - total 5 houses) and a small rural scheme (4 houses)

These schemes will help the Council to meet a number of its other broader priorities including meeting the housing needs of the ageing population, helping vulnerable people to live more independently and supporting the local economy.

- 4.6 As well as the above initiative, officers have also been able to develop to delivery stage the Small Sites programme and the Market Intervention Fund, which have been reported separately to Cabinet and approved.
- 4.7 The provision of funding by the Council will be subject to long term legally binding funding agreements and nomination agreements with the providers, mirroring the approach of the HCA. This will ensure that the provision reflects the Council's commissioning intentions and will be for the use of local people, either through nomination (in the case of specialist housing) or through the 'Choose Your Home' process (for general needs housing). The agreement will also protect the Council's investment by ensuring that, in the event of the disposal of the property on which the

grant has been paid, that the Council's investment will be protected, i.e. by its return, or reuse (at current value) for a similar purpose. Local lettings plans for each scheme will also be agreed between the Council and the respective provider.

4.8 There are a number of diverse and innovative programmes emerging to deliver the work of the Housing & Regeneration Partnership Board (HRPB), and from implementation of the LIP strategies and the Housing Strategy. The terms of reference for the HRPB themselves state that the Board will:

- “focus on delivery,
- act quickly,
- be creative and flexible in its approach, and
- intervene”

4.9 Decisions of the HRPB still need to be approved through the Council's and the HCA's own internal approval processes, involving either reports to Cabinet or the exercise of delegated authorities by officers. Given changing market conditions, and the uncertain and changing position of some key partners, there is a real need to approach programmes and individual transactions in a flexible way and, on occasion, to be able to react quickly in order to ensure delivery. The recommendations in this report are made in order to provide this flexibility in the negotiation and delivery of the LIP and Housing Strategy programmes by officers, whilst still retaining elected Member influence on decision making.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

Section:	Issues to consider:
Community Impact – Specific Groups	<p>Equality Impact Assessment</p> <p>Appropriate housing can help people to live more independently in their own homes. For example:</p> <ul style="list-style-type: none"> • Older people - Extra care housing – provides independent accommodation in a supportive environment, with good access to care and support services. • People with a learning disability – appropriate individual or shared accommodation helps people to live more independently in their communities. <p>Affordable homes in rural parts of the borough can help people with a strong local connection to continue living in these areas.</p> <p>General needs affordable housing will be allocated through the borough-wide 'Choose Your Home' scheme'. Specialist or supported housing will be allocated on the basis of a dual assessment of housing and care & support needs.</p>

6. PREVIOUS MINUTES

26 January 2010 – CB 140. Approval of the Local Investment Plan

12 October 2010 – CB 77. Approval of the Housing Strategy

7. BACKGROUND PAPERS

- Local Investment Plan, 2010 – 2013. (Telford & Wrekin Council and Homes & Communities Agency, 2010).
- Service & Financial Planning 2010/11 – 2012/13: Overview and Revenue Budget (Telford & Wrekin Council, 2010).
- Service & Financial Planning 2010/11 – 2012/13: Capital Programme (Telford & Wrekin Council, 2010)

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