

## **CABINET**

**Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 22nd September, 2011 at 6.30 p.m. at the Civic Offices, Telford**

**PUBLISHED ON WEDNESDAY, 28th SEPTEMBER, 2011**

**(DEADLINE FOR CALL-IN MONDAY, 3rd OCTOBER, 2011)**

**PRESENT:** Councillors K.S. Sahota (Leader and Chair), E.A. Clare, S. Davies, A.R.H. England, R.A. Overton, H. Rhodes and P.R. Watling

**ALSO PRESENT:** Councillor A.J. Eade (Conservative Group Leader) and Councillor W.L. Tomlinson (Lib Dem/Independent Group Leader)

### **CB-34      MINUTES**

**RESOLVED** – that the minutes of the meeting of the Cabinet held on 26th July 2011 be confirmed and signed by the Chairman.

### **CB-35      APOLOGIES FOR ABSENCE**

Councillors W.A.M. McClements and C.F. Smith

### **CB-36      DECLARATIONS OF INTEREST**

None

### **CB-37      SERVICE & FINANCIAL PLANNING 2012/13 – 2014/15**

**Key Decision** identified as **Budget Strategy / Service & Financial Planning Process** in the Forward Plan published on 16<sup>th</sup> August 2011

Councillor R.A. Overton, Deputy Leader, presented the joint report of the Interim Chief Executive and the Chief Financial Officer that updated the financial projections for future years, and set out the processes and timetable for the agreement of the Service and Financial Planning Strategy 2012/13 – 2014/15.

In terms of Government grant, there was some uncertainty arising from the Local Resource Review of the local government finance system, which made projections of the likely level of resources available to the Council after 2012/13 very difficult. The projected base budget deficit had been revised, however, to take account of the proposals currently being consulted on as part of the 100 day budget review. Other key changes to be considered included allowance for inflation, continuing pressures on Adult Care budgets, funding for single status, and the New Homes Bonus. After adjusting for these factors and the saving on insurance premia previously reported through financial

monitoring, the updated funding shortfall projection was £21.1m for 2012/13 rising to £31.4m in 2014/15.

The report also set out the progress in achieving savings through the organisational restructuring process and reductions in non-staff expenditure. A capitalisation direction of £2.9m had been received from the Government enabling statutory redundancy payments to be treated as capital expenditure.

Given the scale of the cuts to Council grants and inflationary and other pressures, it was inevitable that many savings proposals would have service impacts. It was therefore intended to have more extensive consultation on service and financial planning proposals than in previous years, so enabling the community to shape the Council's budget in future years. Details of the proposed consultation activities and timetable were set out in the report.

Councillor Eade referred to the assumptions built into the budget for a large capital receipt from the disposal of land at Newport, and what impact there might be if this receipt was not realised. The Deputy Leader responded that it was usual for anticipated capital receipts to be included in budget forecasts, something the previous administration had done.

**RESOLVED** – that the updated projections for the period 2012/13 – 2014/15 and the proposed timetable and consultation activities summarised in the report be noted.

#### **CB-38            LOCAL SUSTAINABLE TRANSPORT FUND**

**Key Decision** identified as **Local Sustainable Transport Fund (LSTF) – Small Project** in the Forward Plan published on 16<sup>th</sup> August 2011

Councillor H. Rhodes, Cabinet Member: Transport & Community Protection, presented the report of the Head of Environmental Services, which confirmed the recent announcement from the Department for Transport (DfT) regarding the Local Sustainable Transport Fund (LSTF). The Fund was designed to support sustainable transport projects that delivered economic growth and reduced carbon emissions. An amended report, containing some minor changes to the detailed funding figures, was tabled. The report had been published before the recent changes in Cabinet designations, and therefore it was proposed to amend recommendation 2b) accordingly.

The Council's bid to the LSTF was for two elements – a Large Project which covered Telford Town Centre, and, secondly, a Key Component which was a package of smaller scale sustainable transport initiatives to help distribute the economic and environmental benefits of the Large Project throughout the rest of the Borough. The DfT had now confirmed an offer of £3,525,920 in grant towards the Key Component Bid. Matched funding of £2.997m from existing Council and partners' programmes made up the balance of the funding for the project.

The Key Component submission included projects to upgrade the Silkin Way, improvements to the cycle route between Stafford and Telford, a Park & Ride

scheme for the Ironbridge Gorge World Heritage Site, and improved walking links between Telford railway station and Telford town centre. Further details of the expenditure and capital/revenue funding for the identified projects was set out in the report.

For the Large Project, the Council had been shortlisted to submit a full business case to DfT by 20 December 2011, with a decision expected by the end of June 2012. The Large Project was vital to both the successful delivery of the Central Telford Area Action Plan, and for enabling the release of privately owned and Council owned land for development purposes. It included making the Box Road a two way road, with associated junction improvements. In relation to recent press statements from the owners of the Town Centre about lack of consultation on the Box Road proposals, The Deputy Leader stated that the proposals were contained in the Central Telford Area Action Plan adopted by Council in March 2011. The Plan had been subject to extensive consultation, including public examination by a Planning Inspector who had concluded that the Box Road proposals were sound. The Cabinet Member added that Officers would be meeting with the Town Centre owners for further discussions.

#### **RESOLVED –**

- (a) that Council's acceptance of £3,525,920 of DfT Local Sustainable Transport Funding to deliver the Key Component projects, as set out in the Council's submission to the DfT, over the period 2011/12 – 2014/15 be endorsed.**
  
- (b) that the development and submission of a full business case for funding for Telford Town Centre (the Large Project) be approved, with authority delegated to the Head of Environmental Services, in consultation with the Cabinet Members for Transport & Community Protection; Housing, Regeneration & Economic Development; and Resources & Service Delivery, to agree the content of the full business case for submission by 20<sup>th</sup> December 2011.**

#### **CB - 39      HIGHWAYS MAINTENANCE – WINTER SERVICE REVIEW**

**Key Decision** identified as **Winter Maintenance Service Review** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor S Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the Head of Environmental Services, which set out recommendations following a review of the operation and effectiveness of the Winter Service in the light of the issues encountered during the 2010/11 winter season.

The winter of 2010/11 was at its most severe during the months of November and December, with extremely low temperatures and early snowfall resulting in a significant increase in salting and clearing operations. Despite having a full storage capacity of 2700 tonnes of salt at the start of the season, stocks

were put under significant pressure due to a shortage of national salt supplies and orders not getting through. A detailed analysis of performance during the 2010/11 winter season was appended to the report. A review of this information had identified some areas where service improvements were recommended.

In terms of requests for gritting roads that were not included on the primary and secondary gritting routes, it was proposed that the access road to Harper Adams College, Newport be added to the defined network. In respect of the rate of spread of salt, benchmarking with the Midland Service Improvement Group had identified that Telford & Wrekin was the only Council who applied a higher rate of spread of salt for both frost prevention and snow events. The lower rates that were the regional norm met Department for Transport guidance, and it was therefore proposed that the Council revise its application rate accordingly. This would potentially result in a reduction of 900 tonnes of salt being used during a normal winter season.

**RESOLVED** – that the recommended changes to the Winter Service, as outlined in Appendices 1 and 2 of the report be approved, namely:

- the existing above regional average coverage for salt treatment of the road network to remain the same for 2011/12, with the addition of the access route to Harper Adams College;
- existing grit bin policy to remain for 2011/12, and to continue working closely with Parishes and community groups for local co-operative opportunities;
- to provide greater resilience and efficiencies – to revise the rate of spread of salt from 15g per m<sup>2</sup> to 10g per m<sup>2</sup> for frost prevention and from 30g per m<sup>2</sup> to 20g per m<sup>2</sup> for snow events;
- continue to improve communication channels and access to information for residents and businesses within the Borough.

**CB - 40      TELFORD & WREKIN JOINT MENTAL HEALTH AND WELL-BEING COMMISSIONING STRATEGY 2011 - 2015**

**Key Decision** identified as **Telford & Wrekin's Joint Mental Health and Well-Being Commissioning Strategy 2011-2015** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor E.A. Clare, Cabinet Member: Adult & Social Care, presented the report of the Head of Care & Support that outlined the Strategy and action plan for how the Council and NHS Telford & Wrekin planned to commission services to improve the mental health of people living in the Borough, and to improve outcomes for those with poor mental health. Appended to the report were an executive summary of the Strategy and the associated action plan..

The Joint Strategy was structured around six shared, cross government and multi-agency objectives, and was informed by a new national strategy for mental health – “No health without Mental Health”. Development of the Strategy had included a 13 week public consultation, and plenty of feedback was received. Much of the Strategy was focussed on the modernisation of mental health services, with the aim of having earlier, preventative

interventions carried out by strengthened and integrated community teams. This would reduce the need for in-patient stays, although 12 beds would continue to be funded at Castle Lodge, Dawley and a new purpose-built in-patient facility – the Redwood Centre – was due to open in Autumn 2012.

Members welcomed the report and the proposed Joint Strategy. In response to a comment about the increased numbers of patients being cared for in the community, the Cabinet Member advised that close monitoring of the Strategy would be undertaken by the Mental Health Partnership Board, and that the project plan ensured that community teams were strengthened prior to linked bed closures. At each stage, clinical sign-off would be required from the relevant consultant.

**RESOLVED** – that the Joint Mental Health and Well-Being Commissioning Strategy 2011-2015 be endorsed.

(NB: Councillor K. Sahota abstained from voting on this item).

**CB - 41      PROPOSAL FOR THE TRANSFORMATION OF REHABILITATION AND RE-ABLEMENT SERVICES WITHIN TELFORD & WREKIN**

**Key Decision** identified as **Proposal for the Transformation of Rehabilitation and Re-ablement services within Telford & Wrekin** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor E.A. Clare, Cabinet Member: Adult & Social Care, presented the report of the Head of Care & Support that set out a vision for rehabilitation and re-ablement services in Telford & Wrekin. Attached to the report was a draft Strategy document.

The overall aim was to provide a range of services that improved the quality of life for people and enabled them to live as independently as possible. Rehabilitation services provided essential support (either short-term or long-term) to help, for example, adults return to work after an illness or older people to live as independently as possible in their own homes. Re-ablement was an approach or philosophy within home care services that aimed to help people do things for themselves, rather than having things done for them.

The proposed model was based around working in partnership with NHS colleagues to deliver co-ordinated and effective pathways for community based rehabilitation and re-ablement services. The Council and Telford & Wrekin Primary Care Trust (PCT) had agreed that resources would be made available to develop services in line with the strategy. The Council would make available £500,000 from monies transferred to it under a Section 256 agreement, with the PCT investing an additional £488,000. In order to progress implementation, endorsement was required from the key players..

In response to a question concerning the priority this strategy would receive in the face of budget cuts, the Cabinet Member and Head of Service advised that this was part of the wider Transformation programme to re-direct

resources towards prevention and re-ablement.. As well as improving people's quality of life, it would also play a key role in achieving non-staff savings by reducing the need for long-term care (including nursing and residential care).

**RESOLVED –**

- (a) that the strategy for Rehabilitation and Re-ablement Services be endorsed, including the building of constructive relationships with NHS partners and the voluntary sector;
- (b) that a partnership commitment to resourcing community rehabilitation be noted;
- (c) that the implementation of the model, in collaboration with relevant stakeholders, be supported;
- (d) that the use of funding transferred to the Council by the Primary Care Trust under a Section 256 agreement to develop rehabilitation services be approved.

**CB-42      SHORT BREAKS STATEMENT**

**Key Decision** identified as **Short Breaks Statement** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Group Manager: Procurement, Placements & Commissioning that sought approval for the publication of a Short Breaks Services Statement.

Short Breaks services had been prioritised as an area for development and growth over recent years and a comprehensive programme of short breaks services were now provided for families of disabled children in the Borough. The Council now had a duty to publish a Short Breaks Services Statement for publication by October 2011. A copy of the proposed Statement was appended to the report. It set out the services available, the eligibility criteria, and how the services were designed to meet the needs of qualifying families.

Members welcomed the report, and that the funding of the service would be at the same level as last year.

**RESOLVED** - that the Short Break Services Statement be endorsed for publication by October 2011.

**CB-43      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-44      DISPOSAL OF LAND OFF STATION ROAD, NEWPORT**

**Key Decision** identified as **Corporate Property Amendments** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor R.A. Overton, Deputy Leader, presented the report of the Head of Property & ICT which sought authority for the disposal of land off Station Road, Newport, and to enter into a Joint Venture agreement for the proposed development in south west Newport.

The Council was the owner of 4.57ha of land off Station Road, which had been identified as being suitable for retail development. The report contained details of bids received for the site, along with proposals to enter into a Joint Venture Agreement with other landowners in South West Newport for the purposes of maximising the development potential of the land. Further detailed financial information was also provided.

Public exhibitions of the development proposals had been held in Newport prior to the submission of a planning application. There would also be a full consultation as part of the planning process.

**RESOLVED –**

- (a) **that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member: Resources & Service Delivery, to negotiate and enter into a conditional contract for the sale of land off Station Road, Newport as shown indicatively only on the plan appended at Appendix 1 of the report;**
- (b) **that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member: Resources & Service Delivery, to negotiate and enter into a Joint Venture agreement to procure development in South West Newport;**
- (c) **that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member: Resources & Service Delivery to negotiate and enter into any other agreements necessary to procure development in South West Newport as described in the report;**
- (d) **that authority be delegated to the Head of Governance to execute all legal documentation to give effect to the above resolutions;**
- (e) **that it be noted that an Outline Planning Application for South West Newport and a detailed Planning Application for the land off Station Road would be made shortly, and that these would be dealt with separately by the Council's Plans Board.**

**CB-45      PLANNING OF SCHOOL PLACES: SECONDARY SCHOOL PROVISION**

**Key Decision** identified as **School Organisation/Capital Financing/Borough Towns Initiative/Building Schools for the Future/Planning School Places** in the Forward Plan published on 16<sup>th</sup> August 2011.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Head of School Improvement regarding proposed revisions to the Council's Building Schools for the Future (BSF) programme.

Following a review of secondary school places in the Borough, proposed revisions to the BSF programme had been submitted by Partnership for Schools for a ministerial decision to be made on whether the scope of the proposed changes was reasonable within the current financial package and in line with current Government initiatives. It had been hoped that ministerial approval would have been forthcoming in time for this meeting, but no decision had yet been received. Should the decision be in the Council's favour, formal consultation would need to take place to consider the views of all key stakeholders and partners. In the meantime, it was proposed to undertake informal consultation on the proposals, which had already received a positive response from Partnership for Schools.

**RESOLVED –**

- (a) that, if there is a positive ministerial decision on the proposals, authority be delegated to the Head of School Improvement, following consultation with the Cabinet Member for Children, Young People & Families, to begin informal consultation with key stakeholders and partners.**
  
- (b) that a further report be brought to Cabinet to seek approval to begin a formal consultation process.**

The meeting ended at 7.08 p.m.

**Signed for the purposes of the Decision Notices**

**Jonathan Eatough  
Head of Governance  
Date: 28 September 2011**

**Signed: .....**

**Date: .....**

**TELFORD & WREKIN COUNCIL**

**CABINET – 20 OCTOBER 2011**

**2011/12 FINANCIAL MONITORING REPORT**

**REPORT OF THE HEAD OF FINANCE**

**PART A) – SUMMARY REPORT**

**1.0 SUMMARY OF KEY ISSUES**

**1.1 2011/12 Revenue**

**Revenue spending for the year is projecting to be within budget at year end** but only after using £2.011m of the remaining corporate contingency. There are a number of significant pressures in the budget for the current year and it is essential that Heads of Service continue to exercise tight control over their budgets.

The main identified pressures are:

- The cost of Adult Social Care purchasing which remains at a projected £0.9m overspend even after offsetting additional NHS grants against the impact of the PCT's withdrawal of funding for some cases of continuing healthcare needs. Most of the cost of supporting those people then falls on the Council.
- The cost of Children in Care Placements together with the use of agency staff in the Safeguarding Service – showing a combined variation of £0.9m although other variations within safeguarding reduce the net overspend to £0.76m.
- The cost of Specialist Education – projected overspend of £0.33m which mainly relates to stated provision
- Income shortfalls – a projected shortfall of £0.9m, relating to PIP rentals, planning fees, building control fees and licensing fees
- Contractual Inflation – inflationary pressures totalling £0.595m have been identified and funded from the corporate contingency

We are clearly aware that the council will have an extremely challenging position for next year and it is essential that very tight control on spend is exercised during 2011/12. Benefits from active treasury management, the insurance renewal process and the New Homes Bonus Grant total £1.310m. It is proposed to carry this benefit forward, together with any used part of the contingency in this year, to 2012/13 to create a one-off contingency for 2012/13. Other benefits reported include restructure/employee savings, transport efficiencies and concessionary travel.

The 100 Day Budget review proposals are currently out for consultation and will be approved at Council on 24<sup>th</sup> November. Until that time we are monitoring against the currently approved revenue budget. However, assuming that the proposals in the 100 Day Budget Review are approved a revenue benefit of £0.3m will be generated in the current year which is not reflected in the position set out in this report which would reduce the call on the Council's contingency to £1.711m.

## **1.2 Capital**

If the 100 day budget proposals are approved, the capital programme will total £100m which also reflects adjustments for re-phasing and, new approvals. Spend currently stands at 21% and robust programme management and monitoring is in place to ensure schemes are delivered. A number of new allocations and virements are detailed in Appendix 3 which are included for approval.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the period 2011/12 to 2014/15. Failure to achieve, or delays to, the receipts will have financial implications for the Council and the position is therefore being closely monitored. Current indications are that this level of receipts will be generated over this period.

## **1.3 Corporate Income Collection**

Collection levels for NNDR and Council Tax collection are behind target at the end of August and are being closely monitored. Sales Ledger debt continues to be pursued although reporting information is limited and is currently being developed following the implementation of the new financial management system.

## **2.0 RECOMMENDATIONS**

### **2.1 Members are asked to**

- (i) Note that 2011/12 revenue spend is currently projecting to be within budget at year end**
- (ii) Approve the proposed uses of the contingency detailed in section 6.1**
- (iii) Note the position in relation to capital spend and approve the new allocations and virements detailed in Appendix 3.**
- (iv) Note that income collection is slightly behind target for NNDR and Council Tax at the end of August.**

### 3.0 SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan.
	No	
<b>TARGET COMPLETION/DELIVERY DATE</b>	To outturn within budget at 31/3/12	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	The financial impacts are detailed throughout the report.
<b>LEGAL ISSUES</b>	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	
<b>IMPACT ON SPECIFIC WARDS</b>	No	<i>Borough Wide</i>

### 4.0 PREVIOUS MINUTES

03/03/11 – Full Council, Service & Financial Planning Strategy  
 26/7/11 – Cabinet, 2011/12 Financial Monitoring

## **PART B) – ADDITIONAL INFORMATION**

### **5.0 2011/12 REVENUE BUDGET**



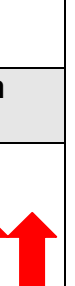
**5.1** Spend is projected to be within budget at year end which includes use of £2.011m of the remaining corporate contingency. The main changes since the last report are shown below:








<b>Variations - £m</b>	<b>July Cabinet Report</b>	<b>Change</b>	<b>Current Projected Variation</b>
Cost of Adult Care & Support provision	+2.500	+0.389	+2.889
Contribution from NHS funding transferred to the Council	-2.000	0.000	-2.000
Children in Care Placements Costs	-0.105	+0.699	+0.594
Safeguarding – Agency Spend	+0.153	+0.157	+0.310
Schools Multicultural Development Service - vacancies	0.000	-0.150	-0.150
Transport savings from operational efficiencies and demographic changes	0.000	-0.100	-0.100
Concessionary Travel – change in methodology subject to review	0.000	-0.150	-0.150
Planning, Building Control & Public Protection fee income	+0.279	+0.321	+0.600
Accelerated Restructure Savings	-0.088	+0.042	-0.046
Other Variations	-0.918	-0.328	-1.246
<b>Total Projected Variation</b>	<b>-0.179</b>	<b>+0.880</b>	<b>+0.701</b>
Cwfd to 12/13	1.331	-0.021	1.310
Call on Contingency	-1.152	-0.951	-2.011
Final Projected Variation	0	0	0








5.2 Variations of more than £0.100m are detailed in section 5.3 for each Service Delivery Unit. The overall 2011/12 budget position is summarised in the table below :







Service Delivery Unit	Accelerated Restructure Savings	Service	Total
	£	£	£
Safeguarding	0	763,722	763,722
School Improvement	(80,000)	79,582	(418)
Family & Community Services	(151,000)	10,093	(140,907)
Property & ICT	0	250,000	250,000
Economy & Skills	0	20,000	20,000
Environmental Services	(92,530)	(230,000)	(322,530)
Housing & Planning	0	546,000	546,000
Care & Support	0	889,000	889,000
Customer, Leisure & Libraries	(369,705)	(62,497)	(432,202)
Governance	(36,803)	(98,310)	(135,113)
Finance	(201,341)	2,694	(198,647)
Core Services	(414,937)	(130,398)	(545,335)
Council Wide	1,300,000	(1,292,681)	7,319
<b>Total Projected Variation</b>	<b>(46,316)</b>	<b>747,205</b>	<b>700,889</b>
Items to be carried forward to 2012/13			1,310,000
Call on Corporate Contingency			(2,010,889)
<b>Projected Year End Position</b>			<b>0</b>

5.3 Projected variances over £0.100m are highlighted below.

Key		
£0 to £100k	↑	 Underspend
£101+to £250k	↑↑	 Overspend
£251+to £500k	↑↑↑	
over £500k	↑↑↑↑	
Service Delivery Unit	Projected Variation £m	
<b><u>Safeguarding (Adults &amp; Children)</u></b>		
<b>Children in Care</b> – based on a total of 301 Children in Care (w.e. 23.9.11). An additional £1.4m was invested in Looked After Children	+0.594	

<p>as part of the 2011/12 budget strategy.</p> <p><b>Agency Staff</b> – overspend arising from the use of agency staff employed for various dates continuing up to the end of December to cover vacancies. The use of agency staff will be continually reviewed throughout the year.</p> <p><b>Support for Children in Need/Legal Costs and Assessments</b> – payments made to promote the welfare of children in need. The actual cost is dependent on the type of cases that arise during the year.</p>	<p>+0.310</p> <p>+0.149</p>	<p></p> <p></p>
<p><b><u>School Improvement</u></b></p> <p><b>School/Premature Retirement/Redundancy Costs</b> – due to the need to reduce costs and mitigate the ongoing financial pressure on schools. Current projections are based on information from HR on likely numbers and will be updated as appropriate to take into account redeployment etc.</p> <p><b>Schools Multicultural Development Service</b> – saving arising from posts being held vacant pending restructure.</p>	<p>+0.200</p> <p>-0.150</p>	<p></p> <p></p>
<p><b><u>Family &amp; Community Services</u></b></p> <p><b>Specialist Education</b> – the majority of the overspend relates to stated provision, which reflects the costs of new statements and additional support hours. Costs in this area are volatile due to the constant updating of available information and the projection could reduce as the year progresses.</p> <p><b>DSG</b> – underspent DSG from 2010/11 was carried forward to 2011/12 and any unallocated amounts could be used to offset the costs of Specialist Education Service provision.</p>	<p>+0.328</p> <p>-0.200</p>	<p></p> <p></p>
<p><b><u>Property &amp; ICT</u></b></p> <p><b>PIP Properties</b> – shortfall in rental and service charge income due to the higher level of voids.</p>	<p>+0.300</p>	<p></p>

<p><b><u>Housing &amp; Planning</u></b></p> <p><b>Planning</b> – shortfall in planning fees due to the downturn in the economy.</p> <p><b>Building Control</b> – shortfall in fee income</p> <p>Public Protection – shortfall in taxi license fee income</p>	<p>+0.300</p> <p>+0.180</p> <p>+0.120</p>	<p></p> <p></p> <p></p>
<p><b><u>Economy &amp; Skills</u></b></p> <p><b>Economic Development</b> – loss of grant funding for Education Business Partnership</p> <p>Mitigating action, including increased fees to offset grant reduction</p>	<p>+0.257</p> <p>-0.257</p>	<p></p> <p></p>
<p><b><u>Environmental Services</u></b></p> <p><b>Concessionary Transport</b> – benefit arising from the change in methodology in the scheme administration, subject to review</p>	<p>-0.150</p>	<p></p>
<p><b><u>Care &amp; Support</u></b></p> <p><b>Purchasing budgets</b> – as anticipated the significant upward trend from 2010/11 continues in 2011/12. The reported overspend is against a gross purchasing budget of £29.2m across all client groups, including residential care, home care, day care and adult placements. The pressure is exacerbated by the withdrawal of funding by the PCT from clients previously receiving NHS funding due to their ongoing primary health need. These costs are now falling either on the individual or in most cases on Council budgets. This projection is over and above costs impacting and funded ongoing in previous years and reflects the full year impact of clients reassessed by the PCT in 2010/11 and those reassessed in 2011/12. The position is being kept under close review and continues to be</p>	<p>+2.889</p>	<p></p>

raised and discussed with the PCT.		
<b>NHS Funding</b> – a mix of additional one off and ongoing funding from the Government and PCT to fund Local Authority Social Care, and having to be deployed against displaced PCT spending.	-2.000	
<b>Core Services</b> – staff savings	-0.130	
<b><u>Items to be Rolled Forward to 2012/13 to create one off benefit</u></b>		
<b>Treasury</b> – benefits from the re-phasing of schemes from 2010/11 to 2011/12 and the impact of new investments taken early in the year	-0.445m	
<b>Insurance</b> – reduced cost of insurance renewals for 2011/12 – this figure may alter as work is underway to confirm the split between schools and the rest of the Council	-0.250m	
<b><u>New Homes Bonus</u></b> - Unringfenced grant	-0.615m	
<b><u>Total Rolled Forward to 2012/13</u></b>	1.310m	

5.4 The 2011/12 budget includes £1.3m benefit from accelerated staff savings which has been achieved.

## 6.0 **CONTINGENCIES**

6.1 The 2011/12 budget includes combined contingencies of £3.768m, which are set aside to meet any unforeseen expenditure.

6.2

	£m
General Revenue Contingency	1.596
Income/Contract Inflation Contingency	1.072
Additional One Off Contingency (held in reserves)	1.100
<b>Total Contingency</b>	<b>3.768</b>
<b>Approved Spend:</b>	
Contractual Inflation – approved at Cabinet 26/7/11	0.595

<b>Commitments – to be approved:</b>	
Spend Associated with EDL March, over and above staff time which was met from existing budgets	0.010
Required to offset current projected variations	2.011
<b>Balance remaining in Contingencies</b>	<b>1.152</b>

## 7.0 **CAPITAL**

### 7.1 **2011/12 Capital Programme**

The capital programme totals £100m which is after including adjustments for re-phasing, new approvals and the impact of the 100 day budget review. Spend is shown in the table below and currently stands at 21% and robust programme management and monitoring is in place.

Priority	Budget £m	Spend To Date £m	%	Projection £m
Adult Care & Support	0.955	0.212	22	0.475
Active Lifestyles	0.459	0.053	12	0.458
Community Protection & Cohesion	2.648	0.622	23	1.942
Children & Young People	52.095	11.092	21	29.250
Housing, Regeneration & Prosperity	29.800	7.806	26	29.510
Efficient, Community Focussed Council	3.378	0.438	13	3.150
Environment & Rural Area	10.955	1.208	11	9.499
<b>Total</b>	<b>100.290</b>	<b>21.431</b>	<b>21</b>	<b>74.284</b>

7.2 The capital programme funding includes a significant amount of receipts anticipated to be delivered over the period 2011/12 to 2014/15. Failure to achieve, or delays to, the receipts will have financial implications for the Council and the position is being closely monitored.

7.3 There are a number of new allocations and virements detailed in Appendix 3 which are presented for approval.

## 9.0 **CORPORATE INCOME MONITORING**

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

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

- 9.2 In summary, the overall position shows collection levels for both NNDR and Council Tax collection behind the target.

<b>INCOME COLLECTION – August 2011</b>			
	<b>Actual</b>	<b>Target</b>	<b>Performance</b>
<b>Collection Levels:</b>			
Council Tax Collection	48.32%	48.35%	0.03% Behind Target
NNDR Collection	50.42%	51.97%	1.55% Behind Target

9.3 **Council Tax (£59.2m)**

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

Year end performance 2010/11	98.0%
Year End Target for 2011/12	98.0%

Performance is cumulative during the year and expressed against the complete year's debit. Performance to the end of August is 0.03% behind the target set for this year but 0.1% ahead of performance at the same time last year:

Month End Target	Month End Actual	Last year Actual
48.35%	48.32%	48.22%

9.4 **NNDR-Business Rates (£66.3m)**

The % of business rates for 2011/12 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year end performance 2010/11	99.1%
Year End Target for 2011/12	99.1%

Performance at the end of August is 1.55% behind the month end target and 1.64% behind the collection at the same time last year. Collection rates for NDR do fluctuate during the year and the position will be closely monitored.

Month End Target	Month End Actual	Last year Actual
51.97%	50.42%	52.06%

9.5 **Sales Ledger (£43.6mm)**

Sales Ledger processing is part of the new financial management system. Sales invoicing was fully operational at the beginning of July when the system was implemented followed by the recovery process in early September. Debt is being actively pursued however information for reporting purposes is limited during this transitional phase and more detail will be brought to future meetings.

10.0 **BACKGROUND PAPERS**

2011/12 Budget Strategy / Financial Ledger reports

Report Prepared by: Ken Clarke, Head of Finance – 01952 383100;  
Pauline Harris, Corporate Finance Manager – 01952 383701

Telford Ice Rink – Business Model

	2011/12	2012/13 (Closure)	2013/14	2014/15	2015/16	2016/17	Ongoing
Budget Pressure/Saving	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Budget pressure as a result of income shortfalls against Ice Rink income budgets (as per 2010/11 outturn)		240	240	240	240	240	240
Additional income generated from soft play provision, pricing reviews, increase in customer base and sponsorships		(5)	(76)	(142)	(203)	(215)	(215)
Efficiency savings			(190)	(190)	(190)	(190)	(190)
Cost of closure for 4 months to undertake capital works - one off cost assume closed from June 2012		101					
NNDR associated with extension		4	18	18	18	18	18
Cost of Borrowing £3.2million for improvements to Ice Rink	8	120	309	253	253	253	253
<b>TOTAL COST/(SAVING)</b>	<b>8</b>	<b>459</b>	<b>301</b>	<b>179</b>	<b>118</b>	<b>106</b>	<b>106</b>
Less: Amount already assumed in base budget, approved by Council on 3rd March 2011, for loss of contribution from Ice Rink		(200)	(200)	(200)	(200)	(200)	(200)
<b>TOTAL NET COST/(SAVING)</b>	<b>8</b>	<b>259</b>	<b>101</b>	<b>(21)</b>	<b>(82)</b>	<b>(94)</b>	<b>(94)</b>

## **TELFORD & WREKIN COUNCIL**

**CABINET - 20 OCTOBER 2011**

**FULL COUNCIL - 24 NOVEMBER 2011**

### **INVESTMENT INTO TELFORD ICE RINK (BUSINESS CASE)**

**JOINT REPORT OF HEAD OF LEISURE, LIBRARIES & CUSTOMER SERVICES & HEAD OF PROPERTY & ICT**

#### **(PART A) – SUMMARY REPORT**

##### **1. SUMMARY OF MAIN PROPOSALS**

- 1.1 The Council's Cabinet agreed on the 8<sup>th</sup> June 2010 to the undertaking of a formal procurement process in respect of the proposed transfer of Telford Ice Rink to an external operator under a lease agreement. The procurement process was commenced, however, following the change in leadership in May 2011 a preference to explore an in house option was requested, in order to explore a more viable financial business model which would result in income, following the major refurbishment and inclusion of additional attractions eg soft play, retained and reinvested into the facility by the Council and not lost to a private sector provider.
- 1.2 Proposals for an 'in house' option include for the refurbishment and extension of the Ice Rink to provide additional leisure provision in the form of a soft play facility, enhanced reception, boot change and welfare facilities, the creation of a restaurant unit which will be owned by the Councils Property Investment Portfolio (PIP) and leased to an independent operator including a new improved frontage, which will significantly enhance the visual appearance of the building as it faces onto the new Main Street delivered as part of the Southwater development programme.
- 1.3 A financial business case (Appendix 1) has been prepared which identifies both the capital and revenue implications of the "in house" proposal. If approved, the Ice Rink would need to close for a period of 4 months from June 2012 whilst internal refurbishment works to the ice pad and associated cooling plant, are undertaken. The soft play facility would open from December 2012. The proposals would necessitate the undertaking of a staff restructure which would be carried out in line with the wider corporate restructuring process. It would also necessitate the relocation of the Ice Learning Zone, the former Playing For Success Centre however alternative locations are currently being identified.

##### **2 RECOMMENDATIONS**

- 2.1 **That Cabinet endorse the proposed 'in house' development option subject to inclusion in the approved Service and Financial Planning Strategy for 2012/13**
- 2.2 **That Council endorse inclusion within the Budget Strategy for 2012/13 the capital and revenue implications as well as the spend in 2011/12 set out in Appendix 1.**
- 2.3 **That, Cabinet grant delegated authority to the Head of Property & ICT, following consultation with the Cabinet Member for Housing, Regeneration and Economic Development to award any contracts necessary for the delivery of all works outlined in this report.**
- 2.4 **That, Cabinet approve that the retail unit is incorporated into the Property Investment Portfolio in return for a capital investment as set out in the report.**

**2.5 That Cabinet grants delegated authority to the Head of Governance to seal or sign any documents required to give effect to the recommendations contained in this report.**

### **3 SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The Ice Rink is a regional facility which attracts approximately 250,000 visitors per year, The facility provides opportunities for young people and families to be physically active and therefore contributes to improving the health and well being of residents of Telford & Wrekin and is one of the most popular venues in the borough for young people
	Will the proposals impact on specific groups of people?	
	Yes	The proposal will enhance community and sporting provision for a range of community groups particularly children, young people and families.
<b>TARGET COMPLETION/DELIVERY DATE</b>	It is proposed that the refurbished Ice Rink would open in September 2012 with the soft play and restaurant provision being completed by December 2012.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	The total capital cost of the Ice Rink refurbishment and extension is £3.977million, of which £0.285million will be incurred in 2011/12. This cost reduces to £3.2m from 2014/15 from offsetting the PIP capital investment of £0.777m in the restaurant unit. The cost of borrowing £3.977million up to 2013/14 and £3.2million from 2014/15 onwards has been factored into the financial business case at Appendix 1. The cost of borrowing £3.2million is £0.253million per annum. There are additional revenue costs to the Council of £0.368m in total between 2011/12 and 2013/14 which are mainly due to the impact of the closure of the Ice Rink and the cost of borrowing. It is projected that from 2014/15 the impact of the refurbishment will result in a surplus being generated totalling £21k in 2014/15 rising to £94k per year by 2016/17. This will be achieved through additional income generated through the soft play facility, an increase in the number of visitors and savings from operational efficiencies. MLB 07.10.11
<b>LEGAL ISSUES</b>	Yes/No	The Council has the power to carry out the recommendations contained within this report and ongoing legal advice will be provided as and when necessary. All contracts awarded by the Council must comply with the Council's Contract Procedure Rules and Financial Regulations and must also comply with any EU requirements.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	Opportunities linked to new business development and inward investment as part of Southwater development. Opportunities to enhance the town centre leisure offer for both residents and visitors particularly the inclusion of a soft play facility currently not present in the town centre. Risks associated with financial projections relating to future income growth and rental income from the restaurant unit however these will be mitigated through marketing and promotion of the Southwater
<b>IMPACT ON SPECIFIC</b>	No	Borough wide and regional impact.

**(PART B) – ADDITIONAL INFORMATION****4 INFORMATION**

- 4.1 Telford Ice Rink is a facility of significant local and regional importance as the nearest comparable alternative rink is in Solihull. The ice rink regularly attracts 250,000 plus visitors per year.
- 4.2 The ice rink, built in 1984, is now in need of significant investment. A condition survey of Telford Ice Rink has identified that significant internal and external refurbishment is required, amounting to £3.1m over the next 3 years, in order to keep the facility in a functional state. Key elements of the works include but are not limited to:
- Essential upgrades to the refrigeration
  - Replacement of key items of mechanical and electrical plant which are reaching the end of their economic and environmental life
- 4.3 In addition to the essential repair and maintenance work much of the internal fabric of the Ice Rink is in need of refurbishment or replacement. The condition of the Ice Rink is considered to be one of the factors which have contributed to a recent downturn in usage of the facility and therefore income. A decision was taken by Cabinet to progress a procurement process following a soft market testing exercise in 2010. However in May 2011 the Leadership of the Council changed and as a result work on an in house option was commissioned in order to explore an improved business model which would see the income from the ice rink retained by the council and reinvested into the facility longer term and not lost to a private sector provider. The outsourcing option would have resulted in a £200K annual loss of income in order to secure the one off capital investment required to refurbish the rink.
- 4.4 The ice rink proposal seeks to capitalise upon and maximise the opportunities associated with the Southwater development by:
- Adding significant value to the developing leisure provision in Southwater: In July 2011, Cabinet approved a revised programme of works for Southwater which, amongst other things, encouraged a focus on leisure development. Specific approval was granted for the construction of a new retail unit to the front of the existing bowling & bingo building as well as the disposal of land adjacent to Southwater Square for the construction of a cinema, hotel and bars, restaurants and shops. A high quality ice rink provision will provide further support to the Southwater development as the leisure hub within Telford Town Centre.
  - Delivering an active frontage onto the new main street through the creation of a restaurant unit and a building extension for soft play thereby adding to a vibrant street scene.
  - Attracting visitors from across the region to Southwater, and in the process raising its profile and encouraging wider private sector investment.
- 4.5 Proposed improvements include:
- Replacement of the refrigeration plant to comply with legislative requirements
  - Replacement of the mechanical and electrical plant
  - Extension of the Ice Rink to provide a major soft play facility
  - Creation of a new customer entrance and reception area
  - Refurbishment of the boot hire area
  - Refurbishment of the toilets
  - Replacement of the ice rink barrier
  - Reinstatement of a bar

- Internal redecoration and replacement lighting
- Improved insulation and other energy efficiency measures which will reduce running costs

- 4.6 The scope and extent of refurbishment works has been tailored to focus on those elements which are in most need of urgent attention (e.g. ice pad) and those which are most likely to result in opportunities to increase revenue income (e.g. soft play, ice hockey).
- 4.7 It is considered that the inclusion of a Soft Play facility will provide an additional source of revenue whilst complementing the existing leisure offer within the Town Centre and the adjacent Town Park. The facility has been designed in such a way so as to maximise operational efficiencies through joint use of reception and catering facilities with the Ice Rink.
- 4.8 The existing Ice Rink foyer and bar area will be stripped out and reconfigured to provide a restaurant/retail unit with a an independent entrance off Main Street The restaurant unit will provide a viable addition to the Council's Property Investment Portfolio in return for an £777k investment in the project as detailed in Appendix a. The unit will be marketed and the end user will be responsible for fitting out the unit.
- 4.9 The Ice Rink building is also to be extended on its rear elevation to accommodate a new plant for the Ice Rink as well as create an energy centre which will provide power and heat to developments throughout Southwater. The integration of the energy centre into the Ice Rink utilises redundant space in the existing plant room and as such represents a cost effective solution to the delivery of this facility. It is anticipated that the energy centre will provide chilling and power to the ice rink and as such provides financial as well as environmental benefits. Costs associated with the energy centre were approved at Cabinet in July 2011 and are not included in the capital costs at Appendix 1.

## **5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

### **5.1 Community Impact**

- 5.1.1 The Ice Rink is the Town's primary leisure provision for young people. On a typical Friday night over 500 young people will visit the Ice Rink and during peak periods, such as February half term, the Ice Rink attracts 700 plus visitors per session.
- 5.1.2 The facility hosts a number of high profile events such as the annual ice dance and ice speedway events and is home to the Telford Tigers Ice Hockey team. The proposed programme of works and closure has been planned to limit the impact upon these events and also to avoid the Ice Rink's busiest period of December to March.
- 5.1.3 Options are currently being investigated for the provision for a temporary ice rink facility, possibly within the Town Park, for the duration of the closure. Costs associated with this temporary provision are excluded from the figures in Appendix 1

### **5.2 Finance Value for Money**

- 5.2.1 The total capital cost of the refurbishment and extension works to the Ice Rink are £3.977million. This will be funded through prudential borrowing initially, however the requirement for borrowing will be reduced to £3.2million by 2014/15. The revenue cost of borrowing has been factored into the financial business case.
- 5.2.2 Appendix 1 identifies the revenue cost implications of the refurbishment and extension works to the Ice Rink. The model assumes that the current shortfalls against income targets will continue however £200k of this is already funded through the current base budget. This shortfall is recovered over future years in the model from additional income from the soft play facility, increased usage and pricing policies. The income projections are based upon historical data and benchmarking however there are a number of risk factors

in particular the current economic climate. The model also assumes a level of efficiency savings that will be generated through reduced staffing and utility costs.

- 5.2.3 In total for 2011/12 the financial model indicates there is a small additional cost to the Council of £8k due to the cost of borrowing. In 2012/13 the net cost rises to £259k mainly due to the cost of closure which is estimated to be a maximum of £100k, and the cost of borrowing which is £120k. For 2013/14 the total net cost reduced to £101k and is mainly due to the borrowing costs of £309k. By 2013/14 it is anticipated that efficiency savings of £190k will be delivered and additional income of £96k will be achieved. The cumulative budget shortfall between 2011/12 and 2013/14 is £368k. This cost would need to be built into the Council's budget strategy if approval is given to go ahead with this scheme.
- 5.2.4 In 2014/15 the projections indicate that there will be a net surplus of £21k which rises to £94k ongoing by 2016/17.

MLB 07.10.11

### **5.3 Other Impacts and Risks**

- 5.3.1 Much of the ice rink mechanical and electrical plant is original and as such is considered to be beyond its reasonable economic life and the risk of breakdown is considered to be high.
- 5.3.2 In order to comply with regulations regarding the servicing of refrigeration plant, which came into force on 1 January 2010, the existing plant will need to be replaced by the end of 2014.
- 5.3.3 In order to allow for the reinstatement of a bar facility, which is considered essential to the ice rink business, it would be necessary to relocate the Ice Zone Learning Centre. Initial investigations are being carried out as to the possibility of relocating to other Council owned buildings. Costs for a temporary provision are excluded from Appendix 1.
- 5.3.4 The capital contribution from the Property Investment Portfolio is predicated on the achievement of a viable rental income for the restaurant unit.

## **6 PREVIOUS MINUTES**

- 6.1 Telford & Wrekin Council Cabinet 8<sup>th</sup> June 2010

**Report prepared by Stuart Davidson, Leisure Service Delivery Manager and Kate Turner, Service Delivery Specialist – Town Centre**

**Telephone: 01952 382601 / 01952 384591**

**TELFORD & WREKIN COUNCIL**

**CABINET - 20<sup>th</sup> OCTOBER 2011**

**FULL COUNCIL - 24<sup>th</sup> NOVEMBER 2011**

**DAWLEY SPORTS & COOPERATIVE LEARNING COMMUNITY – SPORT ENGLAND BID SUBMISSION**

**REPORT OF HEAD OF LEISURE, LIBRARIES & CUSTOMER SERVICES AND HEAD OF PROPERTY & ICT**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Work on the new Phoenix School rebuild as part of the Council's Building School for the Future (BSF) programme is due to start in the first quarter of 2012. The Council has been working with local and national partners to enhance the sports and leisure provision of the Dawley Sports & Cooperative Learning Community, as it will be known, for the wider benefit of Telford & Wrekin.
- 1.2 This has resulted in a successful stage 1 funding submission of £1.210m to Sport England to contribute towards the following enhanced provision.
- National standard BMX track in conjunction with the Wrekin Riders and British Cycling.
  - Installing a third generation (3G) pitch with sports lighting in conjunction with Telford Raiders Rugby League Club and the Rugby Football League (RFL). This site will become a regional centre of excellence for RFL.
  - Increase the indoor sports hall (part of BSF funding) from 4 badminton courts to 8 courts in conjunction with the Telford Table Tennis and Netball Clubs, the Telford Table Tennis Association, Shropshire County Netball Association, English Table Tennis Association (ETTA) and England Netball. This will become a regional centre for Table Tennis and a county hub for Netball with the opportunity to host regional Netball competitions as required.
- 1.3 At stage 1, the funding for all of the above facilities was to be provided by a combination of Sport England and all the four National Governing Bodies (NGBs).
- 1.4 Since the Council submitted their stage 1 bid to Sport England, a number of changes have occurred, including a change in Government resulting in a national review of funding for the various NGBs which has resulted in a reduction in their capital and revenue allocations. As a result Rugby League, Table Tennis and England Netball have had to withdraw or reduce their funding, however remain fully committed to the project and have guaranteed regular use of the new facilities. A further change was England Netball's specification and technical requirements which requires the sports hall to increase from 8 to 10 courts in order to qualify as a regional venue for competition. A technical challenge has been highlighted which will require a potential piling solutions on the sports aspects of the facilities.

The result of the changes in funder's requirements and the technical challenge on site resulted in an extra £613k being required for the overall construction project. This has resulted in an overall funding gap of £683k for the sporting element of the project outlined in the Stage 1 bid.

- 1.5 As a result the Council has considered a revised option with the full support of Sport England, who have indicated their support to help bridge the funding gap, by encouraging the Council to increase their Stage 1 bid from £1.21m to a Stage 2 bid for £1.5m and have given their support to continue with an 8 court sports hall solution.

The total projected capital cost for the sporting facilities is therefore £1.965m supported by the following funding streams:

- Sport England bid £1.5m
- National Governing Bodies (NGB) £0.130
- Funding from BSF programme £0.045
- Prudential Borrowing £0.290

- 1.6 In conclusion the final stage 2 bid, which must be submitted in October, includes a national BMX track and full size 3G pitch for Rugby League and an 8 court facility for use by Netball, Table Tennis and Rugby. The implications of this proposal are outlined in Section 5, and the overall funding gap, which has materialised largely as a result of the reduction in funds from three of the NGB's, is £290k. The issue of the BMX ground works remains an unknown risk.

A decision will be made by the Sport England Board on 16th November, 2011

## **2 RECOMMENDATIONS**

- 2.1 That Cabinet endorse the major opportunities outlined in this report of the iconic sporting facilities to be developed in Dawley and accept the risks identified by agreeing to progress and submit a stage 2 bid for £1.5m to Sport England as per the agreed timescales and in line with their advice.**
- 2.2 That, subject to Full Council approving acceptance of the funding as part of the Council's approved budget, the Head of Leisure, Libraries and Customer Services be granted delegated authority following consultation with the Cabinet Member for Leisure and Wellbeing to accept the Sport England offer if successful, enter into all necessary legal and financial agreements and take all steps necessary to progress and deliver the alternative project in accordance with the detail outlined in this report and the required timescales.**

### 3 SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The project will significantly contribute to improving the health of residents of Telford & Wrekin by providing better opportunities to participate in both current and new sports not currently available as well as increasing physical activity. The project also supports other corporate priorities in particular education and learning
	Will the proposals impact on specific groups of people?	
	Yes	If successful, the project will provide enhanced community and sporting provision for a range of community groups including people of all ages, different genders, those with a disability and affected by deprivation. People living in the Dawley and the surrounding wards as well as those across Telford & Wrekin as a whole including potential visitors to the cycle track and sports hall from out of borough due to regional significance of the facilities.
<b>TARGET COMPLETION/DELIVERY DATE</b>	Work will form part of the BSF programme delivery which is projected to start in 2012.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	There is a budget gap for the project which will need to be funded through prudential borrowing or additional capital receipts. The revenue cost of borrowing £290k is £22.9k. There is no budgetary provision to meet these costs under the current budget strategy. It should be noted that there are also revenue implications associated with the running costs of the new sports facilities which would need to include as a minimum an increase in NNDR and a requirement to have a sinking fund. These have not been fully costed at this point in time as the management vehicle for the site has not yet been confirmed however they will need to form part of the budget strategy for 2013/14 MLB 30.09.11
<b>LEGAL ISSUES</b>	Yes	Legal Services have seen a draft set of grant terms and conditions. The grant may only be used for capital expenditure and in accordance with the agreed strategic purposes. The grant conditions will apply to the site for 25 years from the date of the construction contract. Should the Council breach the terms of the grant agreement then the funder will be entitled to seek repayment of all or part of the grant. This is a standard provision within Sport England grant agreements. It is also a condition of the grant agreement (again, standard to Sport England) that the Council registers a restriction against its title to the site so that the site cannot be disposed of without the consent of the English Sports

		<p>Council. Members should note that once the grant is accepted the Council would be under an obligation to pay part of the proceeds of any sale of the site to Sport England should the Council wish to sell the site within 25 years.</p>
<p><b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b></p>	<p>Yes</p>	<p>This represents excellent value for sport and leisure as it maximises external funding. For an additional £1.965m (£1.630m of which is external funding), the borough will have a national BMX track, 8-court sports hall with bleacher seating for table tennis and a full size 3G pitch /regional centre for Rugby FL. The site will provide the high quality sports and leisure facilities that are fully accessible to the local community and for the wider benefit of Telford &amp; Wrekin as a whole.</p> <p>The project will be regarded nationally as a 2012 legacy facility and will strengthen the Council's national reputation and relationships with Sport England and other sporting organisations such as National Governing Bodies. The project is already being considered as a national case study for Sport England</p> <p>Any bid to Sport England carries with it a risk that the board decide not to fund the project or reduce their contribution.</p> <p>The planning application has been submitted and is scheduled for determination in October 2011. The submission is based on a 10 court sports hall. It will be possible to apply for an amendment for a reduced size sports hall reflecting 8 courts with minimal impact on the application process. However, if planning consent is delayed, there is a significant risk that the construction contract could not be placed before the expiry of the framework contract with Kier on 31 December 2011.. It would not be advisable to amend the design once the contract is let as it is a fixed price contract and changes to the scope could prove expensive. However, if necessary, alternative, costed designs could be incorporated in the contract prior to it being awarded.</p>
<p><b>IMPACT ON SPECIFIC WARDS</b></p>	<p>Yes</p>	<p>Dawley and the surrounding wards. The project will also have a positive impact on the borough as a whole and will be seen as having regional importance.</p>

## **PART B) – ADDITIONAL INFORMATION**

### **4 INFORMATION**

#### ***Background***

4.1 Work on the new Phoenix School rebuild as part of the Council's Building School for the Future programme is due to start in the first quarter of 2012. The Dawley Sports & Cooperative Learning Community, as it will be known, includes a range of community and sporting facilities for the pupils and residents of Dawley and its surrounding areas. The enhanced sporting facilities have already been outlined in the Summary.

#### ***BSF Contract Implications***

4.2 The new Phoenix School is being designed and constructed by Kier Moss. This project has been procured using the Partnerships for Schools Academies Framework. In order to comply with the timescales set out in the framework, the Council must enter into a design and build contract with Kier Moss before the end of 2011.

4.3 The design and build contract is a fixed-price contract and offers little financial risk to the Council. However, this would not be the case if significant changes are made after the contract has been let. It would not be advisable to amend the design once the contract is let.

4.4 To ensure that the Council is prepared to enter into the contract on time, the alternative designs could be commenced immediately although this will result in increased design costs, this mitigates the risk to the Council

### **5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

5.1 *External funding leverage* - the project represents excellent value for sport and leisure as it maximises funding through the BSF programme along with £1.630m external funding to secure a national BMX track, 8 court sports hall for table tennis and netball and a full size 3G pitch/ regional centre for RFL. The site will provide the high quality sports and leisure facilities, unequalled across the county, that are fully accessible to the local community and for the wider benefit of Telford & Wrekin as a whole.

5.2 *BMX track* – due to the uncertainty in the ground conditions on the proposed site, the BSF team has flagged the site of the BMX track as a potential risk. Although it has been confirmed that the contours and levels of the site are suitable for a national standard track, the project has not developed far enough to provide certainty around ground stability at this stage.

5.3 *Funding gap* – should Sport England agree to retain their capital contribution at stage 2 of £1.5m, the Council will be left with a funding gap of £290k which they will be required to underwrite. The National Governing Bodies will be required to provide a formal commitment to provide funds as part of the Stage 2 bid.

**Report prepared by Stuart Davidson, Leisure Business Manager and Sophie Griffiths,  
Leisure Service Development Manager  
Telephone: 01952 383098**

## **TELFORD & WREKIN COUNCIL**

**CABINET - 20 OCTOBER 2011**

### **DECLARATION OF MADEBROOK POOLS AND STIRCHLEY DINGLE LOCAL NATURE RESERVE**

#### **REPORT OF HEAD OF HOUSING AND PLANNING**

#### **PART A) – SUMMARY REPORT**

##### **1. SUMMARY OF MAIN PROPOSALS**

- 1.1. The purpose of this report is to seek Cabinet approval for the declaration of a new Local Nature Reserve, an area of land around the pools in Madebrook and Stirchley Dingle (Appendix 1).
- 1.2. The proposal has been developed in liaison with a local community group, the Madebrook and Stirchley Dingle Steering Group and will involve volunteers carrying out small-scale conservation tasks as part of the management of the site.
- 1.3. The selection, declaration and management of Local Nature Reserves (LNR) is a function of local authorities. These sites play an important role in maintaining a healthy balance in spatial planning between the built environment and the green infrastructure.
- 1.4. The site in question is referred to as the proposed Madebrook Pools and Stirchley Dingle LNR and is within council ownership. It is considered to fulfil the requirements of becoming a formal designated site. The site:
  - Is currently a Wildlife Site and not allocated for development
  - Has an up to date management plan
  - Has a strong level of community involvement; and
  - Is one of the few sites in the borough suitable for access by disabled anglers
- 1.5. Subject to approval, the next stage will be to progress the site further through the formal process with Natural England prior to final declaration.

##### **2. RECOMMENDATIONS**

**It is recommended that Cabinet:**

**2.1 Approve the declaration of the Madebrook Pools and Stirchely Dingle Local Nature Reserve**

**2.2 Delegate authority to complete the declaration process to the Head of Housing and Planning following consultation with the Cabinet Member for the Environment, Co-operative Council & Partnerships.**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining a clean, quality environment and improved green infrastructure and public realm: - Protect and enhance the green infrastructure and biodiversity of the borough
	Will the proposals impact on specific groups of people?	
	Yes	Particular benefits for children and young people and disabled anglers that use the site
<b>TARGET COMPLETION/DELIVERY DATE</b>	Sep 11 - Formal Consultation with Natural England Dec 11 - Declaration of Local Nature Reserve	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	There is an existing budget for the maintenance of the site and the maintenance of the proposed Local nature Reserve will be contained within this budget. JAC 240611	
<b>LEGAL ISSUES</b>	Yes	The Council has power under the National parks and Access to the Countryside Act 1949 to declare that land which it owns is to be managed as a nature reserve and the declaration stands as conclusive evidence that the land is being managed as such. There is a procedure that needs to be followed regarding the declaration and Legal Services will assist the Head of Housing and Planning as required regarding the process.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	Declaring this area as a Local Nature Reserve will enhance the natural environment of the ward.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	The proposal is located in the Nedge ward, although the site will benefit the wider the community who will have access to it. Brookside Ward is situated to the west of the boundary.

### PART B) – ADDITIONAL INFORMATION

#### 4. INFORMATION

- 4.1. This report sets out a proposal to declare a statutory Local Nature Reserve known as 'Madebrook Pools & Stirchley Dingle Local Nature Reserve'. This is in accordance with the provisions of Sections 19 and 21 of the National Parks and Access to the Countryside Act 1949 . Subject to approval, the proposal will then need to receive a formal welcome by Natural England.
- 4.2. Declaration of the land as a LNR requires the Borough of Telford & Wrekin to manage the land shown in Appendix 1, as a nature reserve and to protect it from inappropriate uses or development. The site currently holds wildlife site status and is not allocated for development in the Borough Plan.

- 4.3. The site has nature conservation value and a strong level of community interest and involvement. This includes the Madebrook and Stirchley Dingle Steering Group who have played a key role in developing the proposal in liaison with the Council. Through active engagement with the community, local people are already getting involved in the management and protection of the site, with regular volunteer work parties and nature walks co-ordinated by the South Telford Rights of Way Partnership and the local Green Gym.
- 4.4. The proposed LNR is within the Council's ownership (Appendix 2), meets the necessary criteria for selection, has an up to date management plan, and has gained support from Telford Angling Association, the Shropshire Wildlife Trust and Natural England.

## **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

### **5.1. COMMUNITY IMPACT**

- 5.1.1. All members of the community should have the opportunity to benefit from the diverse range of species and habitat present in the Borough. Research has shown that improving the provision of and access to natural green space can be valuable to a wide range of groups within the community, especially children and young people. A formal declaration provides clarity that public access is encouraged.
- 5.1.2. Improving the provision of and access to natural green space can be valuable to a wide range of groups within the community, especially children and young people, including opportunities for local schools to use the site as an outdoor classroom. In addition, the site is one of the few venues in the borough suitable for access by disabled anglers; a key benefit that would be retained.
- 5.1.3. Declaration of Local Nature Reserves is beneficial to a number of priorities associated with Environment, Transport and Community and Health & Wellbeing, in particular the protection and enhancement of the green infrastructure and biodiversity of the borough. The council has a local target associated with LNRs<sup>1</sup> which will benefit from the declaration of this site.

### **5.2. OTHER IMPACTS, RISKS & OPPORTUNITIES**

- 5.2.1. Internal consultation has taken place within the Council. Whilst there were no objections, a number of issues were raised which have been addressed as follows:
- **Future potential use of the pools for surface water management associated with the Lord Silkin School which lies to the east of the site**  
Designation of the site as an LNR would not adversely affect this proposal so long as the works were carried out sensitively. The Headteacher of the school fully supports the LNR proposal, particularly as it provides an opportunity for outdoor learning in the natural environment.
  - **Potential impact of the LNR on accessibility of the site, including vehicular access to the disabled angling pegs, adjacent tennis courts, playing fields and BMX track**

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<sup>1</sup> Exceed Natural England's standard for accessible natural green space of 1 ha of Local Nature Reserve per 1,000 population (1.3ha 2010/11, 1.4ha 2011/12, 1.5 ha 2012/13)

Roads and access routes can be included in LNR's, including any future maintenance or improvement work subject to it being carried out appropriately. This would also include use of subsoil from the specified area of the LNR site for maintenance of the off-site BMX track.

## **6. PREVIOUS MINUTES**

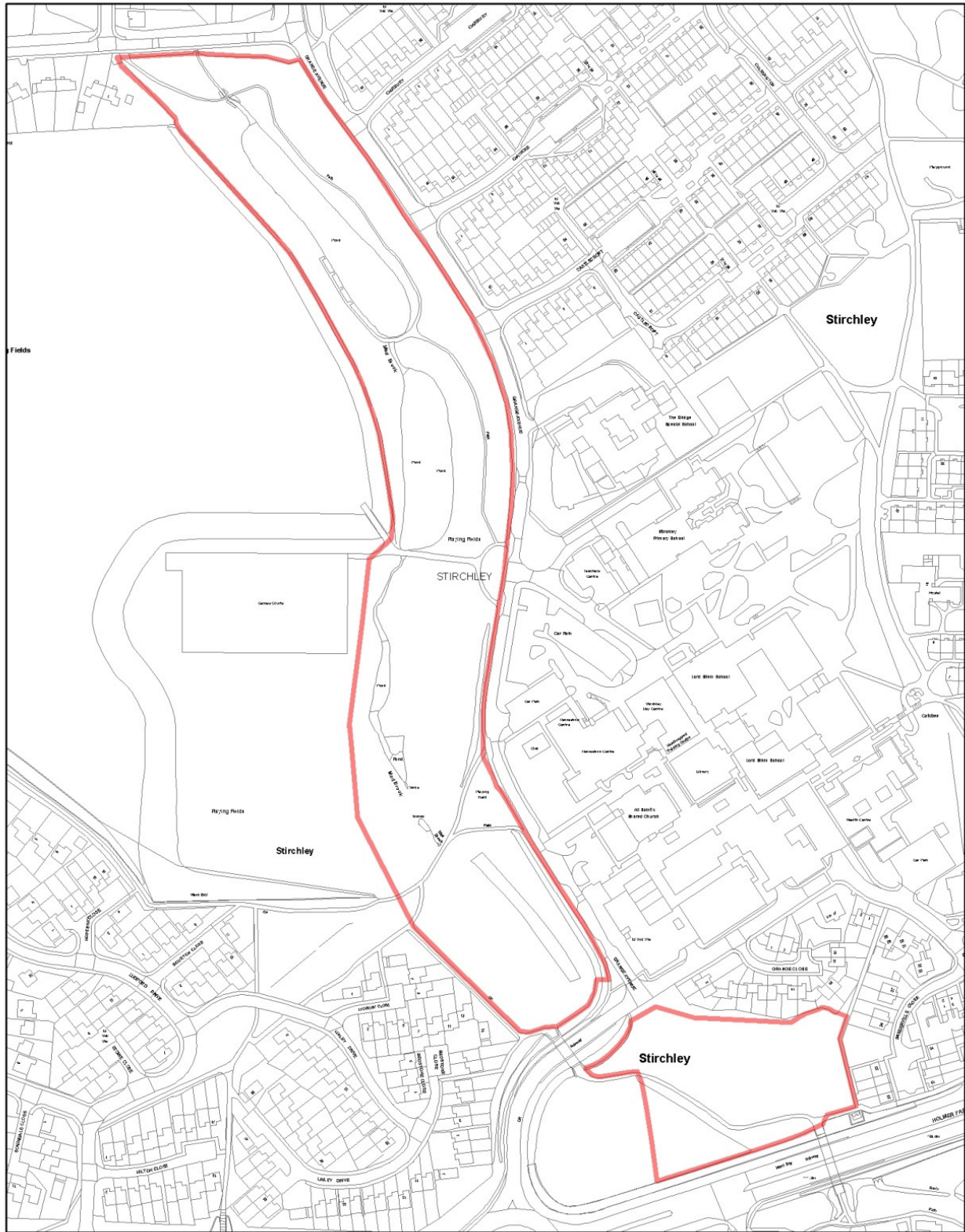
- 6.1 Cabinet report 12th February 2007 entitled 'Declaration of Local Nature Reserves'.

## **7. BACKGROUND PAPERS**

- 7.1 Local Nature Reserves in England: A Guide to their selection and declaration (Natural England, 2009)
- 7.2 Local Nature Reserves: places for people and wildlife (English Nature)
- 7.3 Accessible natural greenspace in towns and cities: A review of appropriate size and distance criteria (English Nature Research Reports No. I53)

*Report prepared by:*

*Caroline Last, Planning Ecologist, 01952 384221, Melissa Short, Green Infrastructure Project Officer, 01952 384192 and Rachel Taylor, Environmental Projects Team Leader 01952 384220*



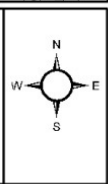

**Telford & Wrekin**  
COUNCIL

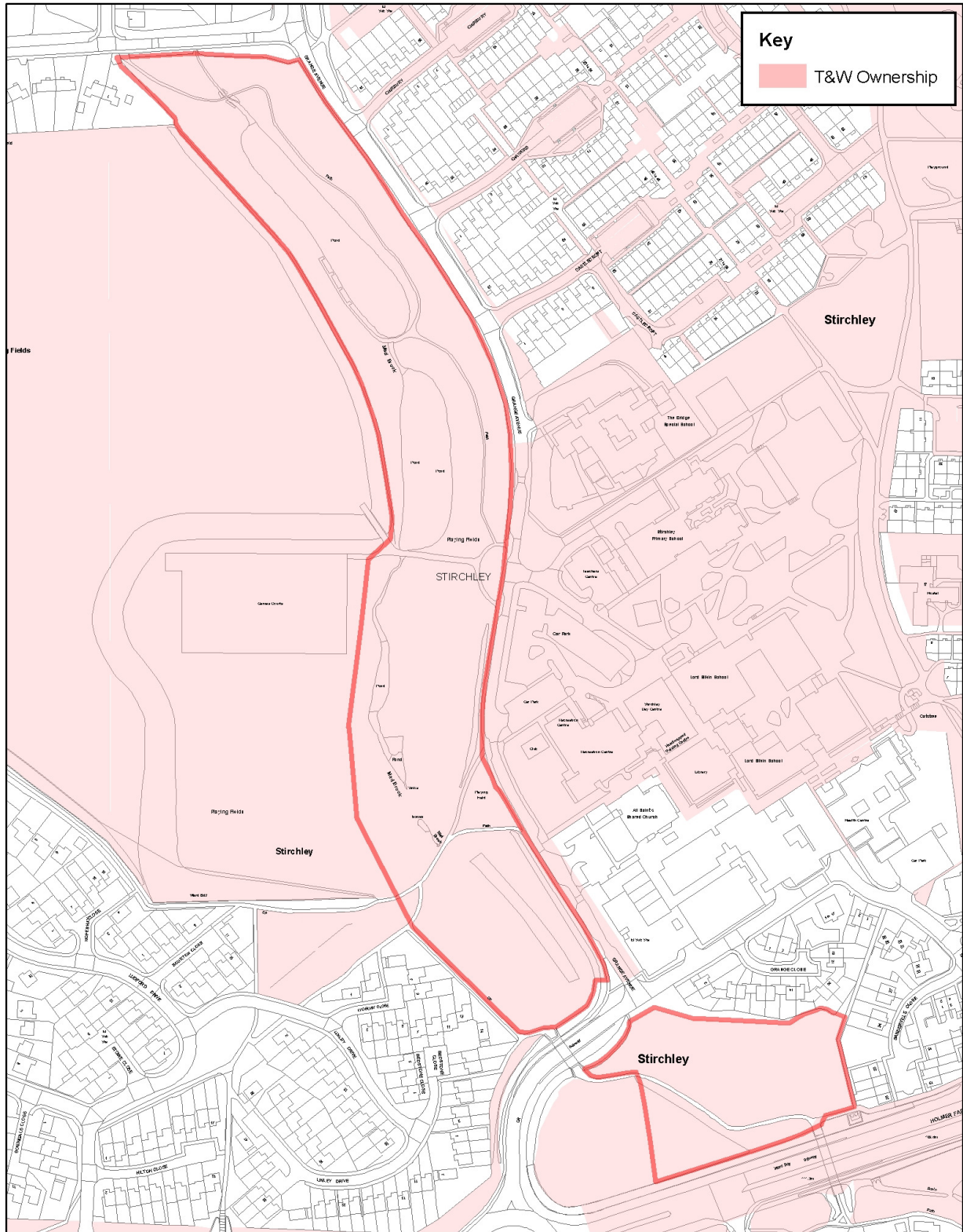
Borough of Telford & Wrekin  
Darby House  
Lawn Central  
Telford  
TF3 4LB

**Madebrook Pools and Stirchley Dingle**  
**Appendix 1: Site Boundary**

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Date: 08/06/2011  
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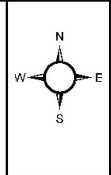





**Telford & Wrekin**  
 COUNCIL  
 Borough of Telford & Wrekin  
 Darby House  
 Lawra Central  
 Telford  
 TF3 4LB

**Madebrook Pools and Stirchley Dingle**  
**Appendix 2: Site Ownership**  
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## TELFORD & WREKIN COUNCIL

CABINET – 20 OCTOBER 2011

### LOCAL GOVERNMENT RESOURCES REVIEW : PROPOSALS FOR BUSINESS RATES RETENTION

#### REPORT OF THE HEAD OF FINANCE

#### PART A) SUMMARY REPORT

- 1.1 The Government is consulting on proposals for a scheme of business rate retention which will replace the current system of local government finance.
- 1.2 The Business Rate Retention Scheme will operate from 2013/14 onwards and is designed to provide strong incentives for local economic growth.
- 1.3 The scheme will operate within the expenditure control totals for 2013/14 and 2014/15 which were set out in the Spending Review 2010.
- 1.4 The proposal includes a number of components which are complex and inter-linked: **setting a baseline** using the 2012/13 formula grant as a reference point; **applying tariffs and top-ups** to establish a fair starting point (whereby authorities who currently collect more business rates than they receive in Formula Grant will pay a tariff and those who collect less business rates than they receive will receive a top up); **charging levies** for disproportionate growth and having **a safety net mechanism** to ensure no marked year on year fluctuations in resources. There are also proposals to deal with **business rates revaluations** and the ability to **re-set** the whole system (if needed).
- 1.5 The consultation documents consist of a proposal document with 33 questions supplemented by eight technical papers containing a further 63 questions. Consultation ends on the 24<sup>th</sup> October after which responses will be reviewed and final decisions on a rates retention model will be announced.

In summary our responses include:

- The importance of data being updated when the baseline is constructed, particularly population data which is a key driver in the needs assessment.
- The need to use 2012/13 formula grant **before** damping as a true reflection of the needs of an area.
- Agreement in principle to adjustments for funding New Homes Bonus scheme and to fund Police and Single purpose fire and rescue authorities
- Agreement that new burdens should be funded by way of specific grants

- Supporting the use of an average to determine a billing authority's business rate yield, as opposed to a "spot" figure.
- Comment that the levy needs to be set at a level which retains the incentive impact required
- Year end reconciliations could be an administrative burden to local authorities
- Acknowledgement that the system will need to be re-set periodically to ensure it aligns with needs.

The detailed responses to the consultation are shown in Appendix 1.

## **2.0 RECOMMENDATIONS**

- 2.1 That Members approve the consultation responses shown in Appendix 1.**

## **3.0 SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Funding underpins the delivery of all Priority Plan objectives.
	No	
<b>TARGET COMPLETION/DELIVERY DATE</b>	24 October 2011.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	The financial impacts are detailed throughout the report.
<b>LEGAL ISSUES</b>	No	
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	
<b>IMPACT ON SPECIFIC WARDS</b>	No	<i>Borough Wide</i>

## **4.0 PREVIOUS MINUTES**

None

## 5.0 PART B) ADDITIONAL INFORMATION

### 5.1 BACKGROUND

- 5.2 The Government published a consultation document *Local Government Resource Review: Proposals for Business Rates Retention* in July 2011 which seeks views on changes to the way local government is funded by introducing retention of business rates.

The Business Rates Retention Scheme will operate from 2013/14 onwards and will replace the current system of local government finance. It is designed to provide strong incentives for local economic growth and move towards local decision making.

The consultation deadline is the 24<sup>th</sup> October 2011 after which responses will be reviewed and final decisions on a rates retention model will be announced.

## 6.0 THE CURRENT SYSTEM

- 6.1 There are currently three main sources of income for Local Authorities: grants from central government, council tax, and locally generated income (such as sales, fees and charges for services). Central Government grants fall into two categories: specific grants and formula grant. Formula Grant is distributed to local authorities based on an assessment of the resources needed to provide services determined through a complex formula and individual allocations are announced annually in the Local Government Finance Settlement. Formula Grant comprises funding from central government, called Revenue Support Grant, and re-distributed business rates (local authorities currently collect business rates on behalf of central government and pay these into a central pool which is then re-distributed as part of Formula Grant).
- 6.2 In 2011/12 Telford & Wrekin is projecting to collect £62.9m business rates which will be paid into the national pool and will receive £54.1m back through Formula Grant.
- 6.3 There are approximately 1.7m properties liable for business rates in England. Each property has a rateable value which is assessed by the Valuation Office Agency with the business rates due being : **rateable value x national multiplier** (currently 43.3p in England). The multiplier is increased each year by Retail Price Index. Every 5 years there is a revaluation to ensure a property's rateable value reflects changes in the property market. The multiplier is adjusted after each revaluation so that the total yield remains the same in real terms, before and after the revaluation. There are a number of reliefs applicable, for example to charities and small businesses.
- 6.4 The Government is not proposing any changes to the way that properties are valued or how business rate levels are set. The focus of the proposals

is on the distribution of business rates revenues – therefore businesses will see no difference to the way business rates are set or how they pay them; also rate setting powers will remain under the control of central government and the revaluation process will be unchanged.

## **7.0 THE PROPOSED BUSINESS RATES RETENTION SCHEME**

7.1 The proposed rates retention scheme is designed to

- ensure a fair starting point for all local authorities
- deliver a strong growth incentive where authorities benefit from increases in their business growth
- include a check on any disproportionate benefits
- be sufficiently stable
- have the ability to reset in the future to ensure levels of need are met

### **7.2 Spending Review 2010**

The Business Rates Retention Scheme will operate within the expenditure limits for 2013/14 and 2014/15 set out in the 2010 Spending Review. It is expected that business rates collected in England will be greater than those anticipated in the Spending Review for 13/14 and 14/15 – any excess will be set aside and directed to local government through other grants (see set aside below).

7.3 There are seven key components of the proposed scheme:

- (i) Setting the Baseline
- (ii) Tariffs and Top Ups
- (iii) Incentive
- (iv) Levies & Safety Nets
- (v) Adjusting for Revaluation
- (vi) Re-setting the System
- (vii) Pooling

#### **(i) Setting the Baseline**

- To establish a fair starting point for all local authorities

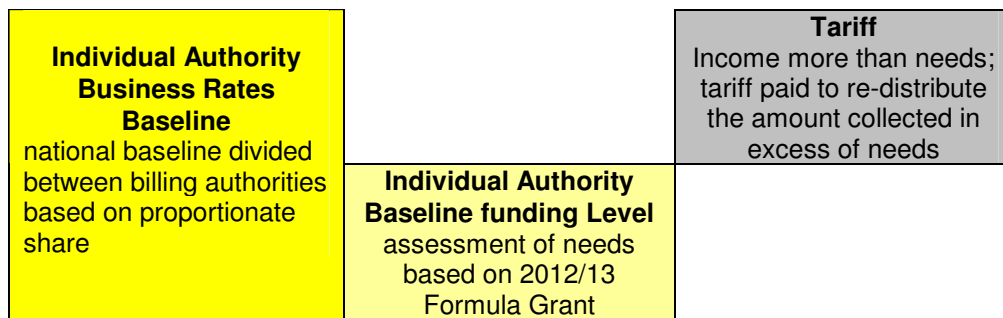
- The **National Business Rates Baseline** is the amount remaining after set aside and adjustments which will be distributed to all Local Authorities. This is summarised in the table below.

Total Forecast National Business Rates	<b>Set Aside</b>
	the difference between the forecast national yield and the control totals announced in 2010 Spending Review. All billing authorities will contribute to the set aside based on a proportionate share.
	<b>Difference between 13/14 and 14/15 spending review control totals</b> Returned to Local authorities in 13/14 via a specific grant
	<b>Adjustments</b> to fund New Homes Bonus, Police Authorities, Single Purpose Fire Authorities and changes to LA functions and responsibilities. All billing authorities will contribute based on a proportionate share.
	<b>National Business Rates Baseline</b> the balance after set aside, the 13/14 specific grant and adjustments.

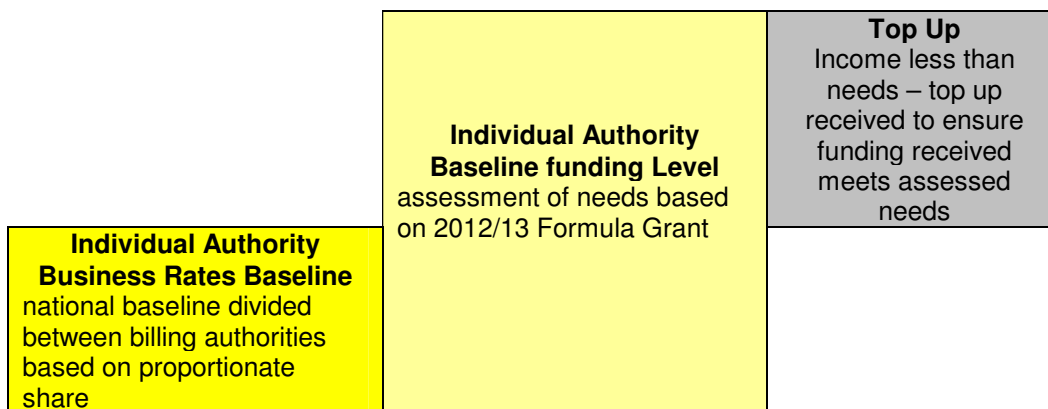
(ii) **Tariffs & Top Ups**

- Local Authorities currently collect business rates in their area which is paid into a central pool and then re-distributed through Formula Grant. Some authorities collect and pay more into the central pool than they get back in Formula Grant; others get more back than they collect and pay in. Therefore a degree of re-balancing is needed at the beginning of a new scheme to ensure resources are distributed fairly to meet service delivery needs on a national basis.
- Re-balancing will be at the outset of the scheme and will compare the amount of funding an authority needs with the business rates it collects. The assessment of the amount of funding an authority needs will be its **baseline funding level** and will be based on 2012/13 formula grant (the proposal is after damping).
- **Tariffs** and **Top Ups** will be the tools used to re-balance the distribution of resources and will be self funding at a national level.

- **Tariffs** – If an authority’s business rate income is more than its baseline funding level (needs based on the current formula grant) then the authority will pay back the excess by way of a Tariff.



- **Top Ups** - If an authority’s business rate income is less than its baseline funding level (needs based on the current of formula grant) then the authority will retain all of its business rates income and in addition will receive a top up amount.



(iii) **Incentive**

- Local Authorities will be able to retain a significant proportion of increases in their business rates, providing a strong incentive for growth and a corresponding disincentive for falling rates bases. There is also an incentive for effective billing and collection functions.
- There will be no cap on the amount of business rates growth an authority can benefit from.

(iv) **Levies & Safety Nets**

- Authorities with a high business rate taxbase could see disproportionate financial gains. To manage this it is proposed that the Government will collect a levy recouping a share of the disproportionate benefit
- The levy would be used to manage unforeseen negative volatility in the scheme by providing a Safety net for authorities whose business rates income falls, either temporarily or permanently.

(v) **Adjusting for Revaluation**

- Revaluation takes place every 5 years when the Valuation Office Agency re-assesses all business properties and gives them new rateable values. The overall business rates yield is capped at RPI meaning that the tax charge is re-distributed across England. This means that revaluations could result in significant volatility to Local Authority budgets in the proposed system. To avoid this it is proposed that the tariff or top up is adjusted at revaluation.
- Transitional relief protects rate payers from large increases at the five yearly revaluation – phasing in increases and decreases over a period of time. The proposal excludes transitional relief and so local authorities will not be exposed to the costs of surpluses arising from a transitional relief scheme.

(vi) **Re-Setting the System**

- There will be a mechanism to re-set the system if it is felt that over time resources diverge away from core service pressures/needs, for example because of population needs.
- The proposal also acknowledges the need to take into account new burdens placed on Local authorities and puts forward options on how this could be achieved, for example by departments giving additional Section 31 grants to local authorities to meet the costs of any new burdens.

(vii) **Pooling**

- The proposal gives the option for local authorities to voluntarily form a 'pool'. The pool would have a single tariff or top up, a single levy and would allow local collaboration.

## 8.0 **CONSULTATION QUESTIONS AND RESPONSES**

8.1 The main consultation document has 33 questions and there are a further 63 questions in the eight supporting technical papers. In summary our responses include:

- The importance of data being updated when the baseline is constructed, particularly population data which is a key driver in the needs assessment.
- The need to use 2012/13 formula grant **before** damping as a true reflection of the needs of an area.
- Agreement in principle to adjustments for funding New Homes Bonus scheme and to fund Police and Single purpose fire and rescue authorities
- Agreement that new burdens should be funded by way of specific grants
- Supporting the use of an average to determine a billing authority's business rate yield, as opposed to a "spot" figure.
- Comment that the levy needs to be set at a level which retains the incentive impact required

- Year end reconciliations could be an administrative burden to local authorities
- Acknowledgement that the system will need to be re-set periodically to ensure it aligns with needs.

8.2 Detailed responses are shown in Appendix 1.

## **9.0 BACKGROUND PAPERS**

CLG Local Government Resources Review – Consultation Document

Report Prepared by: Pauline Harris, Finance Manager, 01952 383701  
Michelle Brockway, Finance Team Leader, 01952 383716  
Sophie Lane, Revenues Manager, 01952 383832

### CONSULTATION QUESTIONS & PROPOSED RESPONSES

<b>Setting the Baseline</b>	
Q1	What do you think that the Government should consider in setting the baseline?
A1	Baseline's are to be set using the forecast national business rates for 2013/14 and 2014/15 and authorities will only benefit if business rates exceed the forecast level; therefore Local Authorities will not benefit from the growth already included in forecast rates – this could be seen as a disincentive and should be reconsidered as a starting point.
Q2	Do you agree with the proposal to use 2012/13 formula grant as the basis for constructing the baseline? If so, which of the two options at paragraphs 3.13 and 3.14 do you prefer and why?
A2	3.14 is preferred but with changes limited to updating data only (specifically population, which is a key driver).
TP1-1	Do you agree with the proposed approach to calculating the amount of business rates to be set aside to fund other grants to local government? If not, what alternative do you suggest and why?
	Yes – however it is important that the difference between the 13/14 and 14/15 SR Totals is transparently given back to Local Authorities in 13/14.
TP1-2	Do you agree with the proposed approach for making an adjustment to fund New Homes Bonus payments, and for returning any surplus to local authorities in proportion to their baseline funding levels?
	In principle yes. However given that in the early years of the scheme the adjustment will remove significantly more money than is actually required it is important that the Government's estimate of the surplus and "refunds" to individual Local Authorities is timely so it can be included in budget setting.
TP1-3	Do you agree with the proposed approach for making an adjustment in the event of any functions being transferred to or from local authorities?
	In principle yes. However as above, where functions are being transferred from local authorities, there is the danger of too much being removed at the outset which would impact on budget setting.
TP1-4	Do you agree with the proposed approach for making an adjustment to fund police authorities and potentially also single purpose fire and rescue authorities?
	Yes
TP1-5	Do you agree with the proposed approach for ensuring that no authority loses out in 2013/14 as a result of managing the business rates retention system within the 2014/15 expenditure control total?
	Yes – calculations relating to the 13/14 adjustment need to be transparent.
TP1-6	Do you agree that we should use 2012/13 formula grant after floor damping as the basis for establishing authorities'

	baseline funding levels? If not, why?
	Formula grant is the calculation which reflects the needs of a local authority and damping is a mechanism for smoothing out year on year changes, therefore we believe that baseline funding levels should be established before floor damping as this is the best reflection of actual needs in an area and the damping adjustment is a separate mechanism which was part of the old methodology.
TP1-7	Do you agree that we should use 2012/13 allocations as the base position for floor damping in calculating the 2013/14 formula grant equivalent; and use the 2013/14 formula grant equivalent as the base position for floor damping in calculating individual authority's baseline funding levels?
	As above, we do not agree that damping should be applied. If it is we accept the proposed calculations above.
TP1-8	If not, which years should be used as the base position for floor damping in each of these calculations, and why.
	N/A
TP1-9	N/A
TP1-10	N/A
TP1-11	If option two is implemented, do you think we should update none, some or all data sets used in the formula grant calculations? If you think some should be updated, which ones and why?
	It is important that any new system uses the most up to date and accurate information available, therefore we believe that data should be updated, particularly population data which is a key driver in the current formula.
TP1-12	If option two is implemented, do you think we should review the formula for none, some or all of the grants rolled in using tailored distributions? If you think the formula should be reviewed for some of these grants, which ones and why?
	The use of a tailored distribution method was to ensure that distribution matched needs for the specific grants which fall in this category. Therefore it seems sensible to retain the tailored approach.
TP1-13	If option two is implemented, do you think we should review the relative needs formula for concessionary travel?
XXX	Comment requested from Julia.
TP1-14	Do you think we should review any of the other relative needs formula? If so which ones and why?
	No.
TP1-15	If option two is implemented, do you think we should alter the balance between service demands and resources; and if so, how?
	In the current financial climate it would be prudent to reduce the relative resource adjustment as the economic

	conditions affect council tax collection levels.
TP1-16	Do you agree with the proposed approach for establishing levels of funding for police authorities, and potentially also single purpose fire and rescue authorities, in 2013 and 2014/15.
	Yes
TP1-17	Do you agree with the proposed approach for funding new burdens within the business rates scheme? If not, why?
	Yes – payment by grant will be transparent and clear.
TP1-18	Do you agree with the proposed approach for dealing with boundary changes and mergers? If not, what alternative would you propose and why?
	Yes – we agree it is a logical approach.
TP1-19	Do you agree with the proposals on the future of Revenue Support Grant?
	Yes
TP2-1	In the absence of billing authority estimates for 2013/14 and 2014/15, do you agree with the Government's proposals for setting the forecast national business rates?
	The proposals sound reasonable. Consideration should also be given to the changing position over a number of years as shown in the NNDR 3 statistical return, rather than the sole use of the NDR3 form for 2012/13.
TP2-2	Do you agree with the proposed basis on which proportionate shares would be calculated?
	Chapter 4 of the paper covers the allowable deductions from the gross yield in order to calculate the proportionate share. It would be entirely reasonable for an allowance to be made for losses in collection for bad debts. A billing authority maximises business rate collection, but in cases of liquidation or insolvency has no option but to write off the debts. As this is outside of the Billing authority's control, it would be reasonable for an allowance to be made for this.
TP2-3	Which of the options – "spot" or "average" do you believe would be the fairest means of determining each billing authority's business rate yield, upon which proportionate shares would be based?
	It is recognised that NDR1 returns are not accurate and do not usually reflect the outturn figures as provided in the NDR3 return. A spot check would therefore similarly be inaccurate. An average based on data from the previous 2 years is a more realistic measurement, although business rates can tend to fluctuate from one year to the next, particularly if a number of larger businesses move in to or out of the area, or go into insolvency.
TP2-4	Do you agree with the allowable deductions the Government proposes to make to each billing authority's business rates yield, to reflect differences in the local costs of items such as reliefs, in establishing proportionate shares?
	As per the answer to question 2: It would be entirely reasonable for an allowance to be made for losses in collection for bad debts. A billing authority maximises business rate collection, but in cases of liquidation or insolvency has no option

	<p>but to write off the debts. As this is outside of the Billing authority's control, it would be reasonable for an allowance to be made for this.</p> <p>With regard to Hardship relief, it is rare for a billing authority to award this relief. Apportioning a deduction based on national spend is therefore likely to result in a small allowable deduction per billing authority and result in a billing authority being unable to fund assistance for businesses where hardship relief may be applicable.</p> <p>Fixing the allowable deductions may result in close monitoring of the award of relief and the possibility that discretionary relief are not awarded where the expenditure would exceed the allowable deduction which has been made.</p>
TP3 - 1	Of the two options outlined for determining a county council's share of a billing authority's business rates baseline (pre-tier split), which do you prefer?
	N/A
TP3 – 2	Do you agree that Police authorities should receive a fixed funding allocations in 2013/14 and 2014/15 through an adjustment to the forecast national business rates?
	Yes
TP3-3	N/A
TP3-4	N/A
TP4-1	Do you agree with the proposed approach for administering billing authorities payments to central government?
	Yes – a clear timetable of payments will be key
TP4-2	Do you agree with the proposed approach for administering billing authorities payments to non-billing authorities?
	N/A
TP4-3	Do you agree with the proposals for year end reconciliations?
	Yes, although this could be an administrative burden for authorities.
TP4-4	Do you agree that there should be a process for amending payments to non-billing authorities to reflect in-year changes, similar to the current NNDR2 returns.
	N/A
TP4-5	If there is a process for amending payments schedules, do you think changes should be possible at fixed points throughout the year? How frequently should changes be possible?
	Quarterly
TP4-6	Alternatively, do you think changes should only be possible if triggered by significant changes in business rates forecasts? What do you think should constitute a significant change?

	Ideally changes should be reflected regularly; there is the danger of introducing an element of judgement if a definition of “significant” change is introduced.
TP4-7	Do you agree with the proposed approach for administering payments to and from non-billing authorities?
	N/A
TP4-8	Do you agree with the proposed approach for establishing liability for the levy and eligibility for support from the safety net on the basis of an authority’s pre-levy rates income?
	Yes, as long as the calculation for working out the levy is transparent and fair.
<b>Setting the tariffs and tops ups</b>	
Q3	Do you agree with this proposed component of tariff and top up amounts as a way of re-balancing the system in year 1?
A3	Yes in principle. It is important that the calculation of baseline funding is clear and transparent.
Q4	Which option for setting the fixed tariff and top up amounts do you prefer and why?
A4	Fixing tariffs and top ups to the year one cash amount and not uprate by RPI
TP5-1	Should tariffs and top ups be index-linked or should they be fixed in cash terms?
	Fixed in cash terms
TP5-2	Do you agree that a pool’s tariff, or top up, should be the aggregate of the tariffs and top ups of its members?
	Yes
<b>The Incentive Effect</b>	
Q5	Do you agree that the incentive effect would work as described?
A5	Whilst work can be undertaken to encourage new businesses into the area, some businesses are struggling in the current financial climate, and the local authority is limited in its ability to assist financially. The legislation does not prevent companies from building up large debts over a number of creditors (including the local authority), going into liquidation and then re-establishing themselves under a different trading name from the following day. These businesses are effectively undertaking exactly the same business, in the same premises, in the same way. A local authority is powerless against such activity and regardless of promptness and effectiveness of billing and collection, the business rates will remain unpaid.
<b>A levy Recouping a share of disproportionate benefit</b>	
Q6	Do you agree with our proposal for a levy on disproportionate benefit, and why?
A6	Yes in principle. The definition and calculation of disproportionate benefit needs to be clear.

Q7	Which option for calculating the levy do you prefer and why?
A7	Proportionate seems to most equitable method.
Q8	What preferences do you have for the size of the levy?
A8	The levy needs to be set at a level which retains incentive.
TP5-3	Do you agree that the levy should apply to change in pre-levy income measured against the authority's baseline funding level?
	Yes
TP5-4	The main consultation document seeks views on which option for calculating the levy you prefer (flat rate, banded or proportional) and why. What are your views about the levy rate that should be applied if a flat rate levy is adopted.
	Proportional.
TP5-5	If a banded levy is adopted, should the bands be set on the basis of an authority's gearing, or on some other basis, how many bands should there be and what levy rates should be applied to each band
	We do not think that a banded system is appropriate and therefore if a banded system is used there should be a large number of bands to minimise risk i.e. cliff edges between bands.
TP5-6	Under a proportional scheme, what is your view of the levy ratio that should be applied?
	The levy ratio should be set so that there is sufficient incentive retained in the scheme
TP5-7	Do you agree that pools of authority should be set a lower levy rate, or more favourable levy ratio than would have been the case if worked out on the aggregate of the pool members levy?
	No – this would be unfair on other individual authorities who are not in a position to form a pool.
TP5-8	Do you agree that safety net payments should be triggered by changes in an authority's retained income?
	Yes
TP5-9	The main consultation document seeks views on whether there should be a safety net for annual changes in pre-levy income. If so, what percentage change in annual income do you think that authorities could reasonably be expected to manage before the safety net kicked in?
	This should be linked to a percentage of an authority's usable reserves
TP5-10	The main consultation document also seeks views on whether there should be a safety net against absolute falls in

	income below an authority's baseline funding levels. If so, what percentage below baseline should the safety net kick in ?
	As Above – this should be linked to a percentage of an authority's usable reserves.
TP5 -11	Do you think that for the purposes of the baseline safety net, the baseline should be annually updated by RPI or not?
	Yes
TP5 -12	Do you think that the safety nets should provide an absolute guarantee of support, or should financial assistance be scaled back if there is insufficient funding in the levy pot?
	Scaled back.
TP5- 13	Should safety net support be paid in year, or after year-end?
	In Year
TP5-14	Do you agree that pools should be treated as single bodies.?
	Yes
Q9	Do you agree with this approach to deliver the Renewable Energy Commitment?
A9	Care would need to be taken to ensure that disproportionate benefit is not allowed in rural and coastal areas rather than in urban areas where the scope for such schemes is limited.
Q10	Do you agree that the levy pot should fund a safety net to protect local authorities: (i) whose funding falls by more than a fixed percentage compared with the previous year (protection from large year to year changes); or (ii) whose funding falls by more than a fixed percentage below their baseline position (the rates income floor)?
A10	Yes – option i
Q11	What should be the balance between offering strong protections and strongly incentivising growth?
A11	Security /protection is of more importance than incentivising growth.
Q12	Which of the options for using any additional levy proceeds, above those required to fund the safety net, are you attracted to and why?

A12	re-distributing the pot to all local authorities in proportion to their baseline; and holding back money in higher growth years to ensure sufficient funding for the safety net in lower growth years.
Q13	Are there any other ways you think we should consider using the levy proceeds?
A13	Re-distribute back to those authorities who paid a levy
<b>Adjusting for Revaluation</b>	
Q14	Do you agree with the proposal to readjust the tariff and top up of each authority at each revaluation to maintain the incentive to promote physical growth and manage volatility in budgets?
A14	Yes this is a fair approach and ensures that funding is not skewed by changes to the rates system.
Q15	Do you agree with this overall approach to managing transitional relief?
	Yes.
TP7-1	Do you agree that tariffs and top ups should be adjusted at a revaluation to ensure that authorities retained income is, so far as possible, unaffected by the impact of the revaluation?
	Yes
TP7-2	Do you agree that, having made an adjustment to tariffs and top ups, there should be no further adjustments to reflect subsequent appeals against the rating list
	No. Large adjustments as a result of an appeal can make a significant difference and might need to be reflected in-year. For example we have had 2 appeals on rateable value for properties in the area which have resulted in refunds of millions of pounds. It would be unreasonable for the billing authority to meet this cost in isolation.
TP7-3	Do you agree that transitional relief should be taken outside the main business rates retention scheme?
	Yes, as the authority has no control on revaluation or transitional relief. However, monitoring of transitional relief does not take place on a regular basis at the current time, and this would need to be undertaken to analyse business rate collection without transitional relief.
TP7-4	Do you agree with the Government's proposal for a system of transitional adjustments
	Yes, although as covered in question 2, monitoring of transitional relief does not take place on a regular basis at the current time, and this would need to be undertaken to analyse business rate collection without transitional relief.
TP7-5	Do you agree that any deficit on transitional adjustments should be charged to the levy pot?
	Yes, as the billing authority has no control over re-valuation or transitional relief.
<b>Resetting the system</b>	

Q16	Do you agree that the system should include the capacity to reset tariff and top up levels for changing levels of service need over time?
A16	Yes - the system needs to recognise that local authorities needs will change in different proportions to business rate growth.
Q17	Should the timings of reset be fixed or subject to government decision?
A17	Fixed to allow planning.
Q18	If Fixed, what timescale do you think is appropriate?
A18	5 years – linked to revaluation.
Q19	What are the advantages and disadvantage of both partial and full resets? Which do you prefer?
A19	It is more important to recognise changing needs at reset and ensure the assessment of needs is updated and accurate.
Q20	Do you agree that we should retain flexibility on whether a reset involves a new basis for assessing need?
A20	Yes.
<b>Pooling</b>	
Q21	Do you agree that pooling should be subject to the three criteria listed at paragraph 3.5 and why?
A21	Yes
Q22	What assurances on workability and governance should be required?
A22	Written agreement/ terms of reference
Q23	How should pooling in two tier areas be managed? Should districts be permitted to form pools outside their county area subject to the consent of the county or should there be a fourth criterion stating that there should always be alignment?
A23	N/A
Q24	Should there be further incentives for groups of authorities forming pools and if so, what would form the most effective incentive?
A24	No, this would be unfair to authorities who were not part of a pool.
<b>Impact on Non-billing Authorities</b>	
Q25	Do you agree with these approaches to non-billing authorities?
A25	Yes

Interactions with existing policies and commitments	
<b>New Homes Bonus</b>	
Q26	Do you agree this overall approach to funding the New Homes Bonus within the rates retention system?
A26	Yes – it is important that SR control totals used include New Homes Bonus funding otherwise this will penalise Local Authorities.
Q27	What do you think the mechanism for refunding surplus funding to local government should be?
A27	Acceptable – however local authorities will need to know details of the surplus to be refunded on a timely basis so it can be included in budget setting.
<b>Business Rates Relief</b>	
Q28	Do you agree that the current system of business rates reliefs should be maintained?
A28	Yes; there are always cases where the specific circumstances of the ratepayer mean that a rate relief may be applicable and treated differently to other accounts. We note that a technical paper will be issued with further details
<b>Supporting local economic growth through new instruments</b>	
Q29	Which approach to Tax Increment Financing do you prefer and why?
A29	Option two as there is more certainty on receiving projected revenues.
Q30	Which approach do you consider will enable local authorities and developers to take maximum advantage of Tax incremental financing?
A30	Option 2.
Q31	Would the risks to revenues from the levy and reset in option 1 limit the appetite fro authorities to securitise growth revenues?
A31	Yes.
Q32	Do you agree that pooling could mitigate this risk?
A32	
Q33	Do you agree that central government would need to limit the numbers of projects in option 2? How best might this work in practice?
A33	Yes because of the impact on the levy pot.
TP6-1	Do you agree that some financial assistance should be provided to authorities for the effects of volatility?

	Yes
TP6-2	Of the options set out in the paper, which would you prefer? Do you agree with the Government's analysis that a safety net, instead of an events-based, or application-based approach offers the best way of managing volatility?
	Safety Net approach preferred as events based is too judgemental
TP8-1	Do you agree that the generation of power from renewable energy technologies listed above should qualify as renewable energy projects for the purposes of the business rates retention scheme?
TP8-2	Do you agree that establishing a baseline of business rate income from existing renewable energy projects against which growth can be measured is the most effective mechanism for capturing growth. If not, what alternative approach would you recommend and why?
TP8-3	Do you agree with the proposal to define "renewable energy projects" using as a basis the definition in previous business rates statutory instruments
TP8-4	Do you agree with the proposal for identifying qualifying business rates income from new renewable energy technologies installed on existing premises?
TP8-5	Do you agree with the proposal that the business rates income from Energy from Waste plants that qualify as being from renewable energy project should be determined by the Valuation Office Agency apportioning the rateable value attributable to renewable energy generation? If not, what would you propose and why?
TP8-6	Do you agree with the proposal that the billing authority should be responsible for determining which properties qualify as a renewable energy project
TP8-7	Do you agree that the revenues from renewable energy projects should be retained in two tier areas, by the local planning authority or do you consider that the lower tier authority should receive 80% of the business rates revenue and the upper tier 20%

**TELFORD & WREKIN COUNCIL**

**CABINET – 20 OCTOBER 2011**

**REPRESENTATION ON OUTSIDE BODIES 2011/12**

**REPORT OF THE HEAD OF GOVERNANCE**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

To consider a change in the representation to the Telford & Wrekin Local Access Forum, and to appoint representatives to Age Concern Shropshire, Telford & Wrekin and to Telford & Wrekin Citizens Advice Bureau – Management Board.

**2. RECOMMENDATIONS**

**2.1 That the Cabinet Member: Leisure & Well-being be appointed to the Telford & Wrekin Local Access Forum until November 2012;**

**2.2 That replacement representatives be appointed to Age Concern Shropshire, Telford & Wrekin and to Telford & Wrekin Citizens Advice Bureau – Management Board.**

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	No	Not applicable
	Will the proposals impact on specific groups of people?	
	No	Not applicable
<b>TARGET COMPLETION/DELIVERY DATE</b>	Not applicable	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	No	Not applicable
<b>LEGAL ISSUES</b>	No	Not applicable
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	Not applicable
<b>IMPACT ON SPECIFIC WARDS</b>	No	Not applicable

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **4.1 Local Access Forum**

4.2 Telford & Wrekin Local Access Forum provides advice to Telford & Wrekin Council (and the Countryside Agency and other bodies specified in S94(4) of the CROW Act if required to do so) on how to improve public access to land for open-air recreation and enjoyment of the area.

4.3 At its last meeting, the Forum amended its Terms of Reference to provide for two Elected Member representatives from Telford & Wrekin Council, one of whom should be the relevant Cabinet Member.

4.4 Councillors S. Bentley and T.J Hope were re-appointed in November 2010 as the Council's representatives to the Local Access Forum for a two year term ending in November 2012. Councillor Bentley's membership of the Forum has ceased (for being absent from meetings for at least 12 months), and it is therefore proposed that he be replaced by the Cabinet Member for Leisure & Well-Being, who is currently the Cabinet member with responsibility for Rights of Way. This would satisfy the revised requirements of the Forum's terms of reference.

#### **4.5 Age Concern Shropshire, Telford & Wrekin Telford & Wrekin Citizens Advice Bureau – Management Board.**

4.6 On 21 June 2011, Councillor F. M. Bould was appointed to represent the Council on the above outside bodies for 2011/12. Councillor Bould has indicated that, due to a change in circumstances, she no longer feels able to continue with these commitments.

4.7 Cabinet is therefore asked to appoint a replacement representative to Age Concern Shropshire, Telford & Wrekin and to Telford & Wrekin Citizens Advice Bureau (CAB) for the remainder of the 2011/12 municipal year. NB: the Council has two representatives on the CAB Management Board, the other being Councillor J. Loveridge.

### **5.0 PREVIOUS MINUTES**

Cabinet – 23 November 2010 (Minute No. CB-96)

Cabinet – 21 June 2011 (Minute No CB-9)

Report prepared by Phil Smith, Democratic Services Team Leader  
(01952-383211)

**TELFORD & WREKIN COUNCIL**

**CABINET - 20 OCTOBER 2011**

**REVIEW OF PARLIAMENTARY CONSTITUENCIES: COUNCIL RESPONSE**

**REPORT OF HEAD OF GOVERNANCE**

**1. SUMMARY**

- 1.1 The report attached at Appendix 1 considers the initial proposals that have been published for consultation by the Boundary Commission for England for future parliamentary constituencies for the Borough.
- 1.2 The proposals are that there should be a Telford North and The Wrekin constituency and a Bridgnorth and Telford South constituency.
- 1.3 The attached report considers the Commission's initial proposals against the statutory criteria and invites Members' comments. At the request of the Mayor, an Extraordinary Council meeting has been convened for 3 November 2011 to agree a Council response to these proposals.

**2. RECOMMENDATIONS**

**That Cabinet consider the report attached at Appendix 1, and whether they wish to put forward any comments/views on a Council response to the proposals which will be considered at an Extraordinary Council meeting on 3 November 2011 alongside the report.**

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	No	
	Will the proposals impact on specific groups of people?	
	No	<i>Borough Wide</i>
<b>DELIVERY DATE</b>	<i>Deadline for submissions in this Review – 7 November/ 5 December 2011</i>	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	No	
<b>LEGAL ISSUES</b>	No	
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	<i>At this stage, this is a consultation.</i>
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	<i>Borough-wide impact.</i>

Report prepared by Phil Griffiths, Democratic Services Manager, telephone 01952 383210

**TELFORD & WREKIN COUNCIL**

**COUNCIL – 3 NOVEMBER 2011**

**REVIEW OF PARLIAMENTARY CONSTITUENCIES**

**REPORT OF THE HEAD OF GOVERNANCE**

**PART A) – SUMMARY REPORT**

**1.0 SUMMARY OF REPORT**

1.1 This report considers the initial proposals that have been published for consultation by the Boundary Commission for England for future parliamentary constituencies for the Borough.

1.2 The proposals are that there should be a Telford North and The Wrekin constituency and a Bridgnorth and Telford South constituency.

1.3 This report explains the statutory criteria that the Commission has used in drawing up its proposals. The report considers the Commission's initial proposals against the statutory criteria and invites Members' comments.

**2.0 RECOMMENDATIONS**

2.1 The report asks Members to consider the response, if any that the Council should give to the consultation either at the public hearings in Ludlow on the 7-8 November 2011 or in writing before the close of consultation on 5 December 2011 or both.

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	No	
	Will the proposals impact on specific groups of people?	
	No	<i>Borough Wide</i>
<b>DELIVERY DATE</b>	<i>Deadline for submissions in this Review – 7 November/ 5 December 2011</i>	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	No	
<b>LEGAL ISSUES</b>	No	
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	<i>At this stage, this is a consultation.</i>
<b>IMPACT ON SPECIFIC</b>	Yes	<i>Borough-wide impact.</i>

## **PART B) – ADDITIONAL INFORMATION**

### **3.0 REPORT DETAIL**

3.1 The Parliamentary Voting System and Constituencies Act 2011 reduces the number of MPs for England from 533 to 502 and lays down statutory criteria for the division of England into parliamentary constituencies. The Boundary Commission for England is responsible for drawing up the new constituencies, and the Commission has published its initial proposals. With regard to the Borough, the proposals are that there should be two constituencies, and **maps of the proposed constituencies are attached** to this report at Appendices 1 and 2:

- Telford North and The Wrekin
- Bridgnorth and Telford South.

(Eight wards of the County of Shropshire are included in the proposed Bridgnorth and Telford South constituency.)

3.2 These proposals are open to consultation, and anyone may comment on them to the Commission in a consultation period that closes on 5 December. As part of this consultation process there are public hearings in Ludlow on the 7 – 8 November 2011 and members may consider it appropriate for representations on the Council's position to be made at those hearings.

3.3 The primary statutory criterion is that every constituency in England must have an electorate of between 72,810 and 80,473 – that is 5% either side of the electoral quota of 76,641. In addition, the Commission may also take into account the following secondary criteria.

- Special geographical considerations, including the size, shape and accessibility of a constituency;
- Local government boundaries as they existed on 6 May 2010;
- Boundaries of existing constituencies, and
- Any local ties that would be broken by changes in constituencies.

However, as the Commission emphasises: "It is essential to understand that none of the factors mentioned in the list above overrides the necessity to achieve an electorate in each constituency that is within the range allowed."

3.4 The weight given to the primary criterion means that Telford and Wrekin borough, with its 121,292 electors, cannot wholly comprise two constituencies.

- 3.5 In drawing up its proposals, the Commission has worked by European Electoral Region: an approach that was consulted upon in advance and won general support. This approach places Telford and Wrekin in the West Midlands Region. The Commission has then divided the region into three sub-regions:
- West Midlands MC and Warwickshire;
  - Staffordshire and Stoke-on-Trent;
  - Herefordshire, Worcestershire, Shropshire and Telford and Wrekin
- 3.6 Members should note that, in the consultation document the Commission concedes, “Our division of the West Midlands region into sub-regions is a purely practical approach. Respondents to our consultation are welcome to make counter-proposals based on other groupings of counties and unity authorities, if the statutory factors can be better reflected in those counter-proposals.”
- 3.7 One significant impact on the proposals as they affect Telford and Wrekin lies in the secondary criteria: the boundaries of existing constituencies. They say “We have tried to retain existing constituencies as part of our initial proposals where possible, so long as the other factors can also be satisfied.”
- 3.8 In this sub-region, two constituencies that are within 5% of the electoral quota remain unchanged – North Shropshire and Shrewsbury. In our neighbouring sub-region, South Staffordshire is also within 5% of quota and also remains unchanged. In effect, this has ‘penned in’ Telford and Wrekin to the north and north-west and to the south-west by the proposal to retain those existing constituencies. In turn, this consideration has also forced a southward solution for the residual area of Shropshire. Note also that Wyre Forest (Kidderminster) is also a retained constituency, and of course Staffordshire forms part of a separate sub region with Stoke on Trent.
- 3.9 The Commission has considered and respected, where possible, local government boundaries, another secondary criteria.
- 3.10 Of 54 constituencies proposed for the West Midlands, 29 are wholly contained within one local authority; 20 are made up of two local authority areas, and 5 are made up of three local authority areas. The Telford North and The Wrekin proposed constituency would be wholly contained within the Borough; the Bridgnorth and Telford South proposed constituency would span two local authorities – the Borough and Shropshire as is the case with the current constituencies. None of the proposals divides wards.
- 3.11 Having proposed retention of these constituencies the Commission appear to have been forced to work north to south when approaching Telford and Wrekin, with the only realistic ‘boundary’ that was open to it

for making up the electoral quota lying to the south and into Shropshire: A consideration that has also impacted on the remaining part of Shropshire as well. Accordingly, officers are of the view that the only practical option available to local consultees is either to accept the existing proposals or to put forward an alternative proposal within the overall envelope of the two proposed constituencies.

3.12 The important consideration for any consultee is to balance and test the Commission's present proposals and any alternative proposals against the statutory criteria.

3.13 The Commission's proposals meet the primary criterion, namely that the electorates of the proposed constituencies meet the quota. In respect of the secondary criteria, the position would appear to be justified as follows:-

- Special geographical considerations, including the size, shape and accessibility of a constituency. (In its guide to the review, the Commission states that these considerations "will primarily relate to physical geography such as mountains, hills lakes, rivers, estuaries and islands, rather than to human or social geography".) The proposed constituencies are not unduly large geographically, and it would be difficult to argue that they would be awkward in terms of physical features, shape and accessibility. The M54 has been used by the Commission as a defining boundary between the two proposed constituencies;
- Local government boundaries as they existed on 6 May 2010 – one proposed constituency is wholly contained within Telford and Wrekin local authority, the other proposed constituency crosses local authority boundaries, but only covers two local authorities: Telford and Wrekin and Shropshire. This is the same as for the current constituencies;
- Boundaries of existing constituencies. In its guidance to the review, the Commission has stated that it "intends to have regard generally to existing constituencies as far as possible, as it does not consider that it would be appropriate to start from a 'blank sheet of paper'." Members will have their own views as to whether the proposals meet this intention or not.
- Any local ties that would be broken by changes in constituencies – the proposals for Telford are the only proposals that partition one of the larger urban areas and tie the two parts to extensive rural hinterlands to a greater extent than is currently the case.

3.14 This report does not consider the names of either the Commission's proposed constituencies or of any alternative proposed constituencies. Members will have their own views on this matter. In its guidance to the review, the Commission has laid down the following guidelines for the naming of constituencies: when constituencies remain largely unchanged, the existing constituency name should usually be retained; generally, the Commission considers that the name should reflect the

main population centre(s) contained in the constituency, and the Commission adopts compass point names when there is not a more suitable name, such as in North Shropshire. Members may have a view on the name of Bridgnorth and Telford South given that South Telford includes significantly more population than Bridgnorth.

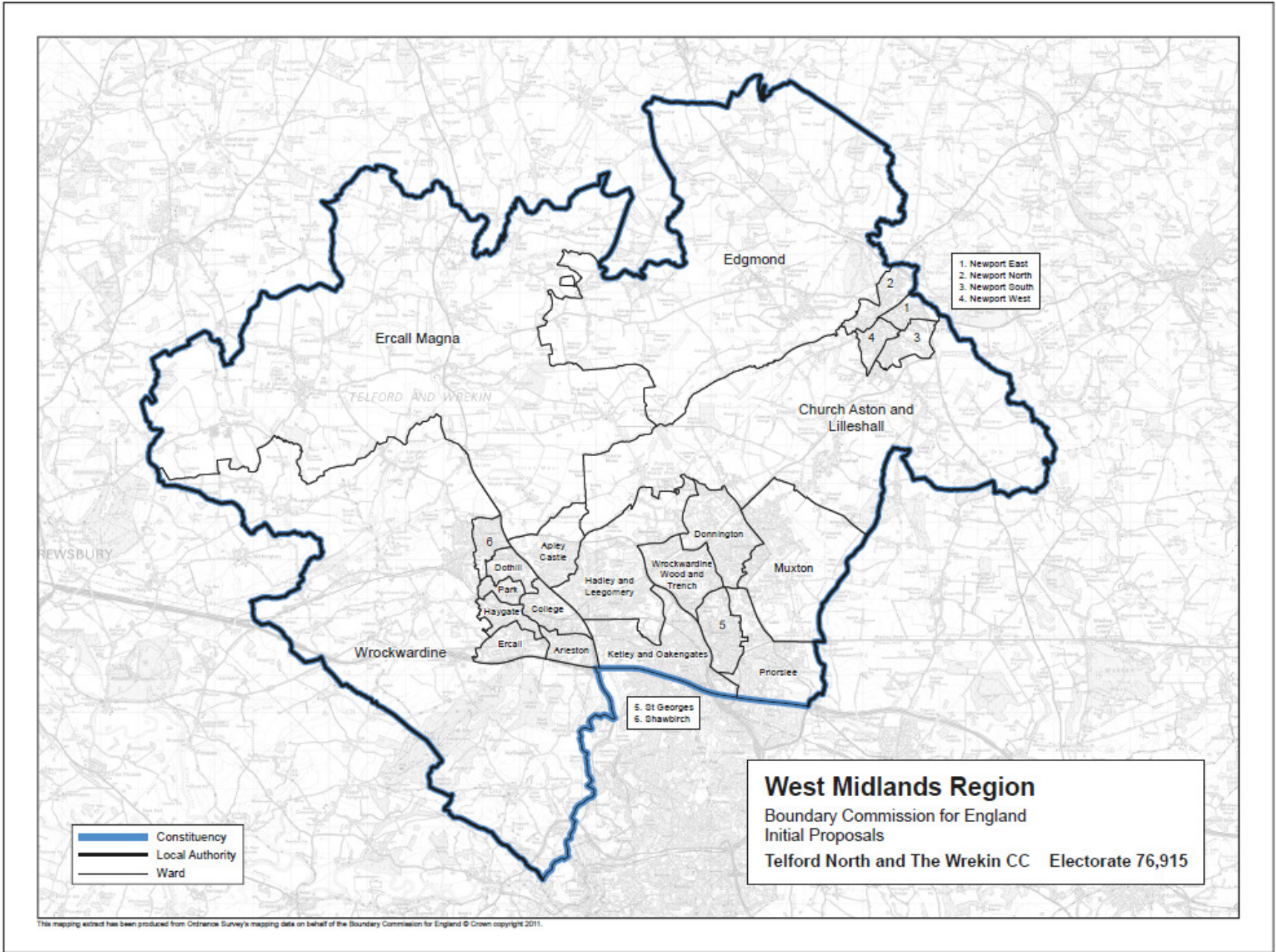
- 3.15 In conclusion, Members are asked to consider whether or not the Council should respond to this consultation.

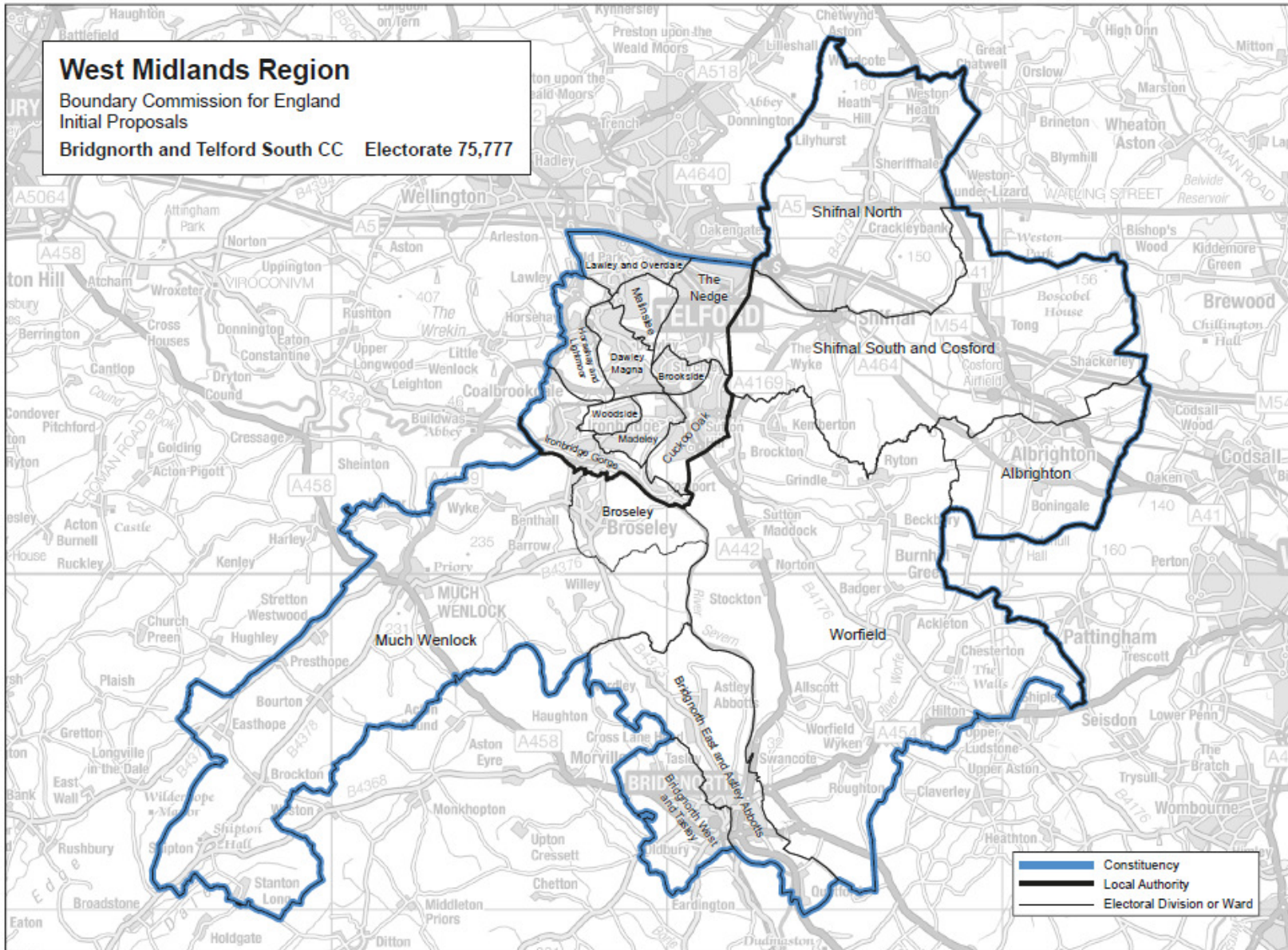
The Commission requests that consultees say whether they approve of or object to the proposals, and where they object they are advised to say what they propose in place of the Commission's proposals. Of course, the Council's making a response does not preclude political groups or individual members also making their own submissions. The up-coming dates that are relevant are as follows:

Public Consultation – Ludlow	7 - 8 November
Deadline for submissions	5 December

Documents and information, including maps and statistics, used in the preparation of this report can be found on the website of the Boundary Commission for England at [www.consultation.boundarycommissionforengland.independent.gov.uk](http://www.consultation.boundarycommissionforengland.independent.gov.uk)

**Report prepared by Melvin Humphreys, Electoral Services Team Leader, telephone 01952 383202**





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