CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 26th January, 2012 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 1st FEBRUARY, 2012

(DEADLINE FOR CALL-IN: MONDAY, 6th FEBRUARY, 2012)

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

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

CB-84 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 22nd December 2011 be confirmed and signed by the Chairman.

CB-85 APOLOGIES FOR ABSENCE

Councillor C.F. Smith

CB-86 DECLARATIONS OF INTEREST

None

CB-87 SCRUTINY REPORT – LEISURE CONCESSIONS AND ARTHOG REMISSIONS POLICY REVIEW

Key Decision identified as **Scrutiny Committee Reports** in the Forward Plan published on 14th December 2011.

Councillor A. McClements, Chairman of the Co-operative & Communities Scrutiny Committee, presented the Committee's report on the review of the leisure services concessions policy. The Cabinet Member for Leisure & Wellbeing and senior officers had put the suggestion forward, and the Scrutiny Committee welcomed the opportunity to be engaged at an early stage of the policy review.

The review was driven by the need to make non-staff savings of around £400k for Leisure, of which £50k was proposed from a review of concessionary charges from 2012/13. In carrying out their review, the Committee met with the Cabinet Member and the Head of Service/Service Delivery Manager. The Committee considered the existing concessions policy and appraised the options for revising the schemes to generate the required level of additional income. A wide range of options were considered across all age groups and activities. Members considered the potential impact on service users, and the financial risks associated with each option, as well as new ideas for income generation. Members had also considered the Remissions Policy for Arthog Outdoor Education Centre following a complaint that it was unfair that pupils were either required to pay the full course fee or nothing. The recommendations arising from the review were:

- To remove the automatic concessionary status for new over 60s except for those in receipt of Pensions Credit
- To introduce a flat rate £1 charge for swimming for all concessionary groups
- To standardise and increase concessionary Health & Fitness memberships to £21.50 pcm for all members
- To remove concessions on golf for all groups
- To retain the existing Arthog Remissions Policy

The Committee felt that their recommendations were fair, and that those in genuine need would continue to benefit from the leisure concessions scheme. Even with these changes, Telford & Wrekin's concessions policy would still be relatively generous compared with other authorities.

Councillor A,R.H. England, Cabinet Member for Leisure & Wellbeing, presented the Cabinet's response to the Scrutiny Committee's report and recommendations. He thanked the Committee for their report and officers for the modelling work that had been done on the various savings options. Cabinet was accepting all the Scrutiny Committee's recommendations, and the proposed actions and timescales to implement them were detailed in Appendix 1 of the Cabinet report. The revised leisure concessions scheme would be operational from 1 April 2012.

RESOLVED –

(a) that the response to the Scrutiny Committee's report, as outlined in Appendix 1 of the report, be approved;

(b) that the revised policy and new charges be implemented from 1 April 2012.

CB-88 REGENERATION OF BROOKSIDE CENTRE

Key Decision identified as **Proposed Brookside Regeneration** in the Forward Plan published on 14th December 2011.

Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the Head of Property and ICT, which set out proposals to work co-operatively with Brookside residents, public sector partners, the third sector and businesses to facilitate the physical regeneration of Brookside Local Centre.

Brookside was the Council's co-operative pilot ward and, while the initial focus was on the Local Centre, the Council was committed to working closely with residents to deliver major improvements across the estate. It was proposed that consultation and resident involvement would be discussed initially with the Brookside Co-operative Pilot Steering Group, which was made up of key stakeholders and representatives from the residents-led Brookside Improvement Group. Residents had previously identified a number of environmental and social issues around the Local Centre that were of particular concern, and a "quick win" action plan had been developed to urgently address these concerns ahead of the main scheme. This would represent a statement of intent to residents and partners of the Council's commitment.

The Local Centre scheme would need to fulfil the requirements and aspirations of the community and would need to be commercially viable. It was anticipated that the scheme would focus on the design and usage of the Community Centre (including the existing Youth Building), the detailed design and layout of any new public realm and open space areas, and the viability of a road link to further improve connections across the estate and make the Centre sustainable in the long term. The Council was currently consulting on its draft Budget strategy which included the proposed investment in Brookside. The feedback from this consultation would be used to inform the Council's final Budget Strategy and the investment in Brookside.

The Cabinet Member thanked the Officers who had worked on this project, as well as the local ward members and Stirchley & Brookside Parish Council.

<u>RESOLVED</u> –

(a) that a public consultation be undertaken to fully develop a proposed scheme for the regeneration of Brookside Local Centre, working directly with the Brookside community through the Brookside Co-operative Pilot Steering Group;

(b) that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member for the Environment, Co-operative Council & Partnerships, to take all steps necessary to deliver the "urgent actions" for Brookside Local Centre, subject to being in accordance with the Council's Budget Strategy following budget consultation;

(c) that a further report be brought to Cabinet to confirm the design proposals and to provide a budget update following the public consultation and approval of the Council's Budget Strategy.

CB - 89 <u>CO-OPERATIVE COUNCIL – 6 MONTHS ON</u>

Non-Key Decision

Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the Managing Director, which updated Members on the steps towards becoming a Co-operative Council and to set out a proposed programme of work to further develop and embed co-operative working across the Council.

The Council had made a clear commitment to become a Co-operative Council, which was about working together with residents, partners and other local organisations to collectively deliver the best services within the resources available. The initial programme of work was agreed by Cabinet in July 2011, and progress to date on the delivery of the Early Adopter projects was detailed in the report. These included the Brookside ward initiatives, the 'Your Money, Your Projects' scheme to allocate £1000 to each ward member, the launch of a new Schools Learning Partnership, establishment of a Health Hub at Civic Offices First Point (in conjunction with the Primary Care Trust), and taking steps to bring Dawley Town Hall back into community use. The other main priority had been the establishment of the Co-operative Commission involving community and business leaders and residents, and an internal Employee Commission. The Cabinet Member thanked the members of the Commissions, who were working voluntarily to find solutions to the issues facing local people at a time of tough economic conditions and reducing council budgets.

In terms of the way forward, the report set out the six main work-streams –

- continuation of the Adopter Programme;
- Cabinet to receive the recommendations of the Co-operative Commission;
- Employee Commission to carry out a co-ordinated consultation exercise;
- Working in Partnership – a proposed new partnership framework was appended to the report;
- Strengthening relationships with the Community – including developing a new overarching Settlement in conjunction with the community;
- Making the Change – changing the culture and working in new ways

Members welcomed the report, and highlighted some of the initiatives that were already demonstrating the benefits of co-operative working. Councillor A. Eade (Conservative Group Leader) expressed disappointment that the proposed Small Loans Business Fund had not been established. The Cabinet Member advised that there had been limited interest from local businesses in contributing to a co-operative small business loans fund. However, businesses were now working together to develop a 'business angels' model, which the Council would help to promote but would not contribute to financially. Cabinet Members also expressed the hope that all political groups on the Council would get involved on the Co-operative Commission.

<u>RESOLVED</u> –

(a) that the proposed work programme, as set out in Section 5 of the report, be approved;

(b) that authority be delegated to the Managing Director, in consultation with the Cabinet Member for Environment, Co-operative Council and Partnerships, to take all steps necessary or appropriate to implement the work programme set out in Section 5 of the report, and to deliver the proposed Adopter Programme as set out in Appendix 2 of the report.

CB-90 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 - 91 REGENERATION OF BROOKSIDE CENTRE

Key Decision identified as **Proposed Brookside Regeneration** in the Forward Plan published on 14th December 2011.

Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the Head of Property and ICT, which followed on from the report considered earlier on the agenda. In taking forward the proposals for the regeneration of Brookside Local Centre (as resolved at minute CB-88 above), there were a number of commercial and financial implications that necessitated this particular report being considered as an exempt item of business.

The report set out the Development Concept for Brookside Local Centre, including details of land and property ownership, along with proposed acquisition and disposal of land, buildings and third party interests required to deliver the scheme. The proposed capital programme 2012/13 to 2014/15 included £6.155m in respect of improvements, and the report outlined the proposed funding and cashflow relating to the delivery of the indicative scheme for the Local Centre.

Consultation would take place with the local community on the design and planning of the scheme, after which a planning application based on the agreed design would be submitted.

RESOLVED –

(a) that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member for the Environment, Co-operative Council & Partnerships, to submit an application for planning permission in respect of the Scheme, following the outcome of the budget consultation;

(b) that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member for the Environment, Co-operative Council & Partnerships, to negotiate and finalise the terms for acquisition and disposal of land, buildings and third party interests required to deliver the Scheme, and to take all steps necessary to facilitate the delivery of the Scheme;

(c) that authority be delegated to the Head of Governance to take all steps necessary to facilitate land assembly and otherwise to deliver the Scheme, including the exercise of relevant powers of compulsory acquisition (if required) and to execute all documents

required to give effect to the recommendations in this report and the report considered earlier on the agenda;

(d) TO RECOMMEND to Council that the necessary capital and revenue estimates as detailed in the report be approved, subject to being in accordance with the Council's Budget Strategy following budget consultation.

CB-92 <u>BSF – ERCALL WOOD TECHNOLOGY COLLEGE LAND ACQUISITION AND DISPOSAL</u>

Key Decision identified as **Building Schools for the Future – Ercall Wood Land Acquisition and Disposal** in the Forward Plan published on 14th December 2011.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Head of Property & ICT, which sought approval for the acquisition, swap and disposal of land in order to facilitate the construction of a new School as part of the Building Schools for the Future programme.

The report also provided an update on the construction costs for the new Ercall Wood School, and the proposed site plan. Ercall Wood Technology College would be the 'sample' scheme for procuring from the PfS framework contract for the construction of the remaining schools in the BSF programme.

<u>RESOLVED</u> –

(a) that approval be given to (i) the acquisition of land adjacent to the existing Ercall Wood Technology College; (ii) a land swap with the Governing Body of the College; and (iii) subsequent to the construction of the new School, disposal of the School's existing playing field to generate a capital receipt to contribute to the construction of the new School;

(b) that authority be delegated to the Head of Property & ICT, in consultation with the Cabinet Member for Children, Young People & Families, to agree the land acquisition, swap and sale arrangements;

(c) that authority be delegated to the Head of Governance to agree and execute all necessary documentation.

The meeting ended at 5.40 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Head of Governance
Date: 1 February 2012

Signed: ………………………………..

Date: …………………………………

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2012

2011/12 FINANCIAL MONITORING REPORT

REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE

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, this is after setting aside £2.145m to support the 2012/13 budget, by creating an additional one off contingency, the creation of an invest to save fund of £0.500m for 2012/13 and uses £1.121m of the remaining corporate contingency**.** This is an improvement of £0.836m compared to the last report, mainly due to the impact of vacant posts. 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 for the remainder of the year.

The main identified pressures are:

- The cost of Adult Social Care purchasing is projected to overspend by £0.973m even after offsetting other funding available from vacancies and one off reserves and additional NHS grants against the impact of the PCT's withdrawal of funding for some cases of continuing healthcare needs and the use of other one off balances available in 2011/12. Most of the cost of supporting those people then falls on the Council. It also takes into account the £0.490m one-off Winter Pressure funds announced by the Government in early January.
- The cost of Children in Care Placements together with the use of agency staff in the Safeguarding Service and associated legal costs – showing a combined variation of £1.8m, although other variations within Safeguarding reduce the net overspend to £1.6m.
- The cost of Specialist Education – projected overspend of £0.4m which relates to statemented provision
- Income shortfalls – a projected shortfall of £0.625m, relating to PIP rentals, planning fees, building control fees and licensing fees.
- As previously reported, 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, the New Homes Bonus Grant and £0.580m 2012/13 non-staff savings delivered early, total £2.145m. It is proposed to carry this benefit forward, together with any unused part of the contingency in this year, to 2012/13 to create a one-off contingency for 2012/13. It is also proposed to create an Invest to Save Fund for 2012/13. Other benefits reported include restructure/employee savings, transport efficiencies and concessionary travel.

1.2 Capital

The capital programme totals £84.3m which reflects adjustments for re-phasing, new approvals and the impact of the 100 Day Budget. Spend to the end of December stands at 47% and robust programme management and monitoring is in place. A number of new allocations, slippage 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, with no variation from receipts delivered compared to expectation to date.

1.3 Corporate Income Collection

Collection levels for Council Tax and NDR are slightly behind target; Sales Ledger debt is ahead of target at the end of December.

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 creation of an Invest to Save Fund totalling £0.500m which will be carried forward to 2012/13

(iii) Note the position in relation to capital spend and approve the new allocations, slippage and virements detailed in Appendix 3, which will go to Cabinet, and then Full Council for formal approval at the next opportunity.

(iv) Note that collection of council tax income and NNDR are slightly behind targets set at the end of December and Sales Ledger is ahead of target.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	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	
TARGET COMPLETION/DELIVERY DATE	To outturn within budget at 31/3/12	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

4.0 PREVIOUS MINUTES

03/03/11 – Full Council, Service & Financial Planning Strategy
26/7/11 – Cabinet, 2011/12 Financial Monitoring
20/10/11 – Cabinet, 2011/12 Financial Monitoring
24/11/11– Council, 2011/12 Financial Monitoring
22/12/11 – 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 £1.121m of the remaining corporate contingency. The position has improved by £0.836m since the last report to Cabinet in December. The main changes are shown below:

Variations - £m	**December Cabinet Report**	**Change**	**Current Projected Variation**
Care & Support Purchasing	+0.941	+0.522	+1.463
Social Care - Winter Pressure Funds	0.000	-0.490	-0.490
Safeguarding – cost of placements and agency staff	+1.343	+0.218	+1.561
School Improvement – a combination of transforming learning through technology, vacancies and lower than anticipated tax liability costs.	0.000	-0.230	-0.230
Family & Community Services – specialist education – placements and statemented provision	+0.541	-0.163	+0.378
Family & Community Services – savings arising from vacancies across the whole service area	0.000	-0.358	-0.358
Housing & Public Protection – savings arising from vacancies and capitalisation of project staff	0.000	-0.490	-0.490
Accelerated Restructure Savings	-0.604	-0.517	-1.121
Other Variations	-2.409	+0.172	-2.237
Total Projected Variation	**-0.188**	-1.336	**-1.524**
Cwfd to 12/13	+2.145	0.000	+2.145
Creation of Invest to Save Fund	0.000	+0.500	+0.500
Call on Contingency	-1.957	+0.836	-1.121
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 Non Staff Savings £	Accelerated Restructure Savings £	Service £	Total £
Safeguarding	0	0	1,619,796	1,619,796
School Improvement	(90,000)	(325,000)	(223,042)	(638,042)
Family & Community Services	(115,000)	(563,000)	(489,328)	(1,167,328)
Property & ICT	0	(6,228)	250,000	243,772
Economy & Skills	(34,000)	0	65,000	31,000
Environmental Services	(187,000)	(60,084)	(230,000)	(477,084)
Housing & Planning	0	(1,119)	51,000	49,881
Care & Support	0	0	973,000	973,000
Customer, Leisure & Libraries	(37,481)	(493,736)	(99,857)	(631,074)
Governance	(39,710)	(64,485)	(176,016)	(280,211)
Finance	(34,000)	(342,300)	(15,155)	(391,455)
Core Services	(42,600)	(565,193)	(165,617)	(773,410)
Council Wide	0	1,300,000	(1,382,283)	(82,283)
Total Projected Variation	**(579,791)**	**(1,121,145)**	**177,498**	**(1,523,438)**
Items to be carried forward to 2012/13				2,144,791
Creation of Invest to Save Fund				500,000
Call on Corporate Contingency				(1,121,353)
Projected Year End Position				**0**

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	
Safeguarding (Adults & Children)		
Children in Care – based on a total of 301 Children in Care (w.e. 12/1/12). An additional £1.4m was invested in Looked After Children as part of the 2011/12 budget strategy.	+1.223 [increased overspend]	
Agency Staff – overspend arising from the use of agency staff employed for various dates continuing up to the end of January to cover vacancies. Agency use is currently being reviewed but is likely to continue at current levels for the rest of the year which will have a detrimental effect on the variation.	+0.338 [increased overspend]	
Support for Children in Need/Legal Costs and Assessments – 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.	+0.206 [increased overspend]	
School Improvement		
School/Premature Retirement/Redundancy Costs – 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.	+0.187 [reduced overspend]	
Schools Multicultural Development Service – saving arising from posts being held vacant pending restructure.	-0.125 [reduced benefit]	
DSG – there is likely to be an impact on the level of delegated to schools budgets as a result of the change in admission of early year children under 5. The level of this is currently being determined but any benefit will have to be re-invested in schools in 12/13.		
Family & Community Services		
Specialist Education – the majority of the overspend relates to statemented provision, which reflects the costs of new statements and additional support hours. Costs in this area	+0.258 [reduced overspend]	

are volatile due to the constant updating of available information and the projection could reduce as the year progresses.		
Specialist Education – the overspend relates to 6 young people and is a combination of a shortfall in recoupment income as fewer pupils are placed within T&W and the cost of pupils placed outside Telford & Wrekin.	+0.120 [reduced overspend]	
DSG – 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.	-0.367 [no change]	
Transport – saving arising from operational efficiencies and demographic changes	-0.120 [no change]	
<u>Property & ICT</u> **PIP Properties –** shortfall in rental and service charge income due to the higher level of voids**.**	+0.300 [no change]	
<u>Housing & Planning</u> **Planning** – shortfall in planning fees due to the downturn in the economy.	+0.200 [reduced overspend]	
Building Control – shortfall in fee income	+0.150 [reduced overspend]	
<u>Economy & Skills</u> **Economic Development** – loss of grant funding for Education Business Partnership	+0.257 [no change]	
Mitigating action, including increased fees to offset grant reduction	-0.257 [no change]	

Post 16 Transport – shortfall in contributions from colleges and grant	+0.115 [no change]	↑↑
Various underspends on marketing and tourism budgets	-0.115 [increased benefit]	↓↓
<u>Environmental Services</u>		
Concessionary Transport – net benefit arising from the change in methodology in the scheme administration.	-0.150 [increased benefit]	↓↓
Highways & Transport – lean project relating to enhancement and maintenance of road infrastructure	+0.250 [increased overspend]	↑↑
Highways & Transport – service underspends and capital to fund lean project	-0.250 [increased benefit]	↓↓
<u>Care & Support</u>		
Purchasing budgets - the reported overspend is against a gross purchasing budget of £33.8m across all client groups, including residential care, home care, day care and adult placements. The pressure has mainly arisen from 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 discussed with the PCT. The overall position takes into account the use of one-off monies available in 2011/12.	+4.564 [increased overspend]	↑↑↑↑
Loss of internal services income due to PCT review of CHC clients.	+0.689 [increased overspend]	↑↑↑↑
NHS Funding – a mix of additional one off and ongoing funding from the Government and PCT to fund Local Authority Social Care, and	-2.000 [no change]	↓↓↓↓

having to be deployed against displaced PCT spending.		
Winter Pressures Funds – one off funds given to the PCT which will be transferred to Local Authorities to support Social Care Services.	-0.490 [increased benefit]	↓↓↓
Other funding available to offset the purchasing overspend including vacancies and the use of one off reserves	-1.790 [increased benefit]	↓↓↓↓
Customer, Leisure & Libraries		
Aspirations – savings arising from posts held vacant being used to cover pressures elsewhere in the service area.	-0.129 [increased benefit]	↓↓
Core Services – staff savings	-0.165 [increased benefit]	↓↓
<u>Items to be Rolled Forward to 2012/13 to create one off contingency</u>		
Treasury – benefits from the re-phasing of schemes from 2010/11 to 2011/12 and the impact of new investments taken early in the year, together with the impact of the 100 day budget and changes to the investment portfolio	-0.700m [no change]	↓↓↓↓
Insurance – reduced cost of insurance renewals for 2011/12	-0.250m [no change]	↓↓
New Homes Bonus - Unringfenced grant	-0.615m [no change]	↓↓↓↓
Accelerated Non-Staff Savings – 2012/13 savings proposals delivered early in 2011/12.	-0.580 [no change]	↓↓↓↓
<u>Total Rolled Forward to 2012/13</u>	2.145m	↑↑↑↑

5.4 The 2011/12 budget includes £1.3m benefit from accelerated staff savings which has been over achieved by £1.1m largely due to holding posts vacant prior to restructures.

5.5 It is proposed that the £2.145m identified in the table above is carried forward to 2012/13 to provide an additional one-off contingency as part of the budget strategy and that an Invest to Save Fund totalling £0.500m is also created and carried forward to 2012/13.

6.0 CONTINGENCIES

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

	£m
General Revenue Contingency	1.596
Income/Contract Inflation Contingency	1.072
Additional One Off Contingency (held in reserves)	1.100
Total Contingency	**3.768**
Approved Spend:	
Contractual Inflation – approved at Cabinet 26/7/11	0.595
EDL Spend – approved at Cabinet 20/10/11	0.010
Commitments – to be approved:	
Required to offset current projected variations	1.121
Balance remaining in Contingencies	**2.042**

7.0 CAPITAL

7.1 **2011/12 Capital Programme**

The capital programme totals £84.3m 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 47% and robust programme management and monitoring is in place.

Priority	Budget £m	Spend To Date £m	%	Projection £m
Adult Care & Support	1.270	0.215	17%	1.101
Active Lifestyles	0.738	0.298	40%	0.737
Community Protection & Cohesion	1.937	1.177	61%	1.928
Children & Young People	40.342	17.555	44%	31.637
Housing, Regeneration & Prosperity	24.958	15.221	61%	24.030
Efficient, Community Focussed Council	4.778	1.108	23%	5.081
Environment & Rural Area	10.246	4.140	40%	10.065
Total	**84.269**	**39.714**	**47**	**74.579**

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, slippage and virements detailed in Appendix 3 which are presented for approval.

8.0 CORPORATE INCOME MONITORING

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

8.2 In summary, the overall position shows collection levels for Council Tax ahead of target while NNDR collection and sales ledger outstanding debt are both slightly outside the targets set.

INCOME COLLECTION – DECEMBER 2011			
	Actual	**Target**	**Performance**
Collection Levels:			
Council Tax Collection	85.88%	85.97%	0.09% Outside Target
NNDR Collection	86.60%	87.66%	1.06% Outside Target
Sales Ledger Outstanding Debt	4.00%	4.50%	0.50% Inside Target

8.3 **Council Tax (£59.3m)**

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 December is 0.09% behind the target set for this year, which is an improvement on last month, and 0.05% behind of performance at the same time last year:

Month End Target	Month End Actual	Last year Actual
85.97%	85.88%	85.93%

8.4 **NNDR-Business Rates (£65.3m)**

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 November is 1.06% behind the month end target and 1.53% 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. Collection data is being further analysed to establish whether there are any trends and to determine which businesses are struggling to pay.

Month End Target	Month End Actual	Last year Actual
87.66%	86.60%	88.13%

8.5 **Sales Ledger (£52.4m)**

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percent are set relating cumulative debt outstanding from all years to the current annual debit. The current targets and performance of income collection are as follows:

Age of debt	Annual Target %	Dec 2011	
		£m	%
Total	4.50	2.096	4.00%

Performance for sales ledger is within target.

9.0 <u>BACKGROUND PAPERS</u>

2011/12 Budget Strategy / Financial Ledger reports

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

Summary of 2011/12 Projected Variations

Service Delivery Unit	Accelerated Non Staff Savings £	Accelerated Restructure Savings £	Service £	Total £
Safeguarding	0	0	1,619,796	1,619,796
School Improvement	(90,000)	(325,000)	(223,042)	(638,042)
Family & Community Services	(115,000)	(563,000)	(489,328)	(1,167,328)
Property & ICT	0	(6,228)	250,000	243,772
Economy & Skills	(34,000)	0	65,000	31,000
Environmental Services	(187,000)	(60,084)	(230,000)	(477,084)
Housing & Planning	0	(1,119)	51,000	49,881
Care & Support	0	0	973,000	973,000
Customer, Leisure & Libraries	(37,481)	(493,736)	(99,857)	(631,074)
Governance	(39,710)	(64,485)	(176,016)	(280,211)
Finance	(34,000)	(342,300)	(15,155)	(391,455)
Core Services	(42,600)	(565,193)	(165,617)	(773,410)
Council Wide	0	1,300,000	(1,382,283)	(82,283)
Total Projected Variation	**(579,791)**	**(1,121,145)**	**177,498**	**(1,523,438)**
Items to be carried forward to 2012/13				2,144,791
Creation of Invest to Save Fund				500,000
Call on Corporate Contingency				(1,121,353)
Projected Year End Position				**0**
		0	0	0

APPENDIX 6 - DETAILED NON STAFFING SAVINGS - PROPOSALS - 2012/13 TO 2014/15

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
Income											
Care & Support											
1 Low Level Preventative Service-remove subsidy and increase hourly rate for this preventative service from £8 to £10 per hour on 1st April and a further increase to £12 per hour on the 1st October, to cover the amount currently funded by the Council	116,950	87,950	29,000	-	116,950	Richard Smith	This is a preventative service available to people who would not meet the Council's eligibility criteria for access to care services. It is utilised by the Access team at initial point of enquiry for people whose level of need is below substantial or critical with the objective of preventing or delaying their need for ongoing care and support. It is not a care service and it is feasible for it to be purchased elsewhere.	The increase in price may be a barrier to users of the service and may well see demand fall. This scenario will reduce income and therefore not deliver the saving. Alternative action to reduce costs may then be required. Mitigation may be to phase in over a longer period of time. Alternatively the service could be withdrawn or not made available to new users. Would then have to manage staffing implications.	There is no immediate staffing impact from raising prices, however a reduction in current demand would cause a review of the service provided and potentially staffing levels. The service is currently provided by the in house catering and cleaning services following a competitive tender process.	As mentioned under staffing, the contract to provide the service is delivered from within the catering and cleaning contract and any reduction in demand will impact the performance of the contract and reduction in required staff numbers.	It is possible that the absence of this preventative service could escalate an individual's need for care services funded by the council. Could consider option of provision going down social enterprise model.
2 Meals on Wheels-cease service or subsidy	57,000		57,000	-	57,000	Richard Smith	A meals on wheels service, delivering a hot meal to vulnerable people is only one way that meals can be provided to people needing a community meals service. Locally we already provide a frozen meals delivery service. Against a background of reconfiguring services to meet a more updated agenda nationally, many authorities have moved away from commissioning the traditional meals on wheels service for a range of reasons. These include health & safety issues- particularly food hygiene, value for money, infrequency of delivery rounds, alternative ways of meeting identified need for a group of people who primarily fall below the community care eligibility threshold, etc. It is therefore proposed to undertake a review of the community meals service, with a view to considering ways of achieving a £57,000 saving by 2013/14. This is the net cost of the service above the food purchase price which is already met by a service user charge per meal.	Impact will depend on alternative arrangements considered. For example the frozen meals delivery service already in place ensures people have access to a frozen meal, a small freezer and safe re-heating equipment at no cost to the Council, other than the assessment and administration costs.	No direct impact for Council staff. But would impact on the WRVS paid staff and volunteers. Also some of the meals are prepared, cooked or re-heated in Council kitchens or under contract with independent providers.	No significant impact on council services. Would need to consider impact on WRVS budget	Existing service users will be concerned about loss of service – mitigation would be through alternatives available. WRVS would be concerned about the loss of a public facing service – mitigation would depend on whether the Council saw an alternative role for WRVS in supporting vulnerable people locally.Public perception – mitigation would be around clear articulation of rationale for change
3 Review of charging policy including review of allowances for disability related costs and an increase in the maximum contribution		30,000			30,000	Frances Carron	The current maximum contribution to costs of care is £128.90 per week. The client is assessed based on their income and expenses, eligible net income forming the basis of a charge towards their care. Not many clients benefit from the cap, but many get expenses allowances for disability related care costs which would be standardised and reduced.	Will increase the charges to a small number of service users who currently should be paying more than the cap. Will increase charges to a number of users who currently claim additional disability related expenses.		None	May be increase in bad debts or some clients may ask to have services removed.
Total Care & Support		**117,950**	**86,000**	**-**	**203,950**						
Customer, Leisure & Libraries											
4 Leisure: Increase swimming lesson income with the introduction of revised swimming lessons plan allowing more customers to join and learn	(101,260)	15,000			15,000	Stuart Davidson	Additional capacity arising from implementation of the National Plan for Teaching of swimming.	na	na	na	Already implemented following parental information sessions.
5 Increase in Gym memberships and therefore income based on new larger gym facilities at new Leisure Centres (Wellington and Abraham Darby.)	(180,350)	30,000			30,000	Stuart Davidson	Increased capacity and standard of facility as part of refurbishment works should attract new customers including some from private gym memberships.	na	considered as part of restructure	na	na
6 Increase cost of gym membership fees by 10%	(465,530)		45,000		45,000	Stuart Davidson			considered as part of restructure	na	Price resistance. Will need to continually review to ensure price sensitive and comparison via benchmarking
7 Increase in cost of Swimming Lessons by 5%	(301,260)	20,000			20,000	Stuart Davidson	Benchmarking indicates that swimming lessons remain good value for money despite 5%	Potential price resistance but will review annual to ensure competitive.	na	na	na
8 Income from flex card charge and renewal charge introduced in April 2010 following public consultation and approval to proceed	0	14,000			14,000	Stuart Davidson	Policy already implemented as part of 2011/12 budget strategy, this additional income is on the assumption of increased membership	Consulted upon as part of 2010/11 budget strategy	na	na	Ability to generate sufficient sales. Strategy in place to maximise Flex card benefits therefore ensuring value for money.
9 A review of the current leisure concessions policies and changes which include:- a) The removal of automatic concessionary status for **new** over 60s accessing Leisure except for those in receipt of Pensions Credit.	(818,240)	50,000			50,000	Stuart Davidson	Current policy identified as being 'generous' through external service review and these changes are endorsed by the Scrutiny Review who have been involved in helping agree revised concessions policies.	Key aim to ensure that concessions are at an appropriate level and are effectively targeted more at those unable to afford to pay full price.	na	na	Proposals to be considered by Cabinet in January and to be subject to an Equality Impact Assessment.
10 Introduce a 20p charge for use of lockers in our main leisure centres	0	8,000			8,000	Stuart Davidson	Recommendation of external service review undertaken in 2009 by NKA..	Although introducing a charge, the service offered will improve by being able to improve maintenance of lockers.	na	na	
11 Explore a sponsor for leisure service uniforms	0		5,000		5,000	Stuart Davidson	Secure sponsorship for leisure uniforms from an external health and fitness retailer	na	na	na	

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
12 Increased income from the Music Service through exploring new markets/customers and benefiting from a reduction in operating costs following the restructure in 2011	(206,190)	15,000	20,000		35,000	Psyche Hudson	Increase Income generation already being realised	Seek alternative funding sources and partnerships to deliver activity for young people.	Amendment to music service structure and salary addressed 2 tier operation	This is a traded service.	Only risks expected with a traded service eg buy back from schools, ability to tap into new markets etc.
13 Increase in burial fees to bring the council in line with costs charged by neighbouring authorities and following extensive benchmarking which has demonstrated the council has under charged for this service for many years. Single internment from £283 to £393, Double internments from £392 to £504, burial in garden of remembrance from £132 to £264, burial in lawn space £389 to £527, burial in kerb set grave £553 to £567	(95,100)	44,000			44,000	Andrew Meredith	Income generated from increased fees for burials service where benchmarking has shown our costs are very low compared to others.	Limited impact on the community and the increase in charges is part of a programme to bring the council's fees in line with other authorities	None	None	None
14 £10 increase on court costs for customers issued with court summons for non payment	360,120	67,000			67,000	Sophie Lane	Benchmarking shows we are below the national average for court costs. This increase merely brings us to the national average.	impact on those summonsed for non-payment	na	na	Risk of non payment of additional fee
15 National Government are introducing a charge of £5 for disabled persons car badges, local authorities are also able to recover their costs and Cabinet have approved an overall charge of £10	0	11,000			11,000	Lee Higgins	Need to be able to recover our administration costs and in many instances disabled persons badge holders can park for free. Not all disabled badge holders are on low income.				All other councils appear to be introducing the £10 charge
16 Increase the booking fee for tickets at Oakengates Theatre to £2 in total for all bookings.	(7,100)	4,000			4,000		Benchmarked with other theatres and many charge a booking fee above this level however suggest no more than £2. Severn Theatre Shrewsbury are also introducing booking fees during the same period				Limited as our competitors at Theatre Severn are doing the same
Total Customer, Leisure & Libraries		**278,000**	**70,000**	**-**	**348,000**						
Environmental Services											
17 Engineers - Re-evaluate existing levels of internal support provided to create opportunities to bring in more external income and to carry out more capital work In House	(37,750)	60,000			60,000	Chris Butler	As the engineering teams are fee earning , savings can only be made without passing on costs to internal clients by freeing up officer time to work on bringing in new income from external contracts.This will require an evaluation of internal requirements and for example providing a reduced level of support to the planning process without affecting statutory duty.	none	none	none	less internal support mitigated by early engagement with developers on a rechargeable basis
18 Highways & Transport: increase parking charges in Ironbridge **Year 1** <u>Market Square Car Park (16 spaces)</u> Up to 30 mins = 50p (previously 40p) Up to 1 hour = 90p (previously 70p) <u>Other Ironbridge Car Parks</u> Up to 2 hours = 90p (previously 70p) Up to 3 hours = 160p (previously 130p) Over 3 hours = 170p (previously 140p) **Year 2** <u>Market Square Car Park (16 spaces)</u> Up to 30 mins = 60p Up to 1 hour = 110p <u>Other Ironbridge Car Parks</u> Up to 2 hours = 110p Up to 3 hours = 190p Over 3 hours = 200p	(86,000)	16,000	16,000		32,000	Stuart Freeman	Increase in parking charges for car parks where Council already charges (actual increase must be in 10p increments due to parking machines). For 2012/13 would result in maximum charge on Council car parks being £1.70.	Increased cost for parking which may result in lower levels of car park use; however charges for all day parking are low compared to other towns/ visitor attractions.	Will require work for Traffic Management Centre in advertising and implementing new charges.		Potential reduced use of Council car parks if perceived to be expensive compared to other car parks in local area. Season tickets will be available to residents so that they are not subject to a daily charge.
19 Highways & Transport: Increase parking charges annually by 10% in Telford town centre: Up to 1 hour = 80p (previously 70p) Up to 2 hours = 1.40 (previously 1.30) Up to 3 hours = 2.20 (previoiusly 2.00) Up to 4 hours = 2.80 (previously 2.50) Over 4 hours = 3.40 (previoulsy 3.10)	(129,510)	4,000	4,000		8,000	Stuart Freeman	Further average 10% increase in parking charges for car parks where Council already charges (actual increase must be in 10p increments due to parking machines). Council now only has two car parks in the town centre Ice Rink & Southwater Way - for 2012/13 would result in equivalent charges still being around 10% lower than Telford Shopping Centre car parks. Changes to charges to the Ice Rink car park require agreement of TIC who manage the car park on the Council's behalf.	Increased cost for parking which may result in lower levels of car park use; however charges for all day parking are low compared to other towns and other car parks in town centre.		Requires agreement with TIC as Ice Rink car park is split responsibility between Council and TIC with TIC carrying out enforcement. TIC charges would need to be same as Council charges as cannot have different charges on same car park.	
20 Highways & Transport: Increased income from street-works	(41,120)	15,000			15,000	Stuart Freeman	Income from issuing Fixed Penalty Notices to utility companies for failing to correctly notify the Council of works on the highway	Likely to be positive through better management of utility works on the highway.	Requires staff to be re trained		Possible long-term reduced income if utility companies improve their performance. Unlikely that further savings can be made in this area as this £15k

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
21 Highways & Transport: Increase fees from s38/s278 development charges from private developers to cover costs of providing service.	(260,490)	4,000			4,000	Stuart Freeman	Additional income from the fees charged to private developers for approving changes to the highway or new developer led highway schemes. Increase is limited as Council can only recover costs involved in providing	Limited impact on community	Will be covered by staff in structure with appropriate training		Possible reduced income if volume of development in borough reduces, will be regularly monitored to check if income target is being achieved.
22 Highways & Transport: To retain free parking permits for residents of Ironbridge and revise charges for residents visitor permits - £25 and seasonal permits - £55 Free drop off and pick up parking for parents will be retained	(3,820)	1,500			1,500	Stuart Freeman	Charges have not been reviewed for over five years, and there are high levels of subsidy for these permits compared to standard daily charges.	Charges are set at a level to recover more of the costs of administration of providing a permit scheme for visitors	Minimal impact	Could be delivered by Customer Services if can be set up in correct way through CRM.	Is a risk that people will not buy permits and choose to park on-street - will require enforcement from the Police and long term could be addressed through the implementation of Civil Parking Enforcement powers if this was pursued in the future
23 Environment & Open Spaces: Bulk collections from £15 to £18 for up to 6 items; £6000 land rental income in Town Park for the Ropes & Courses facility - year 1, £19,000 and further increases to follow.	(53,000)	25,000	5,000		30,000	Dave Hanley	£18 is still low compared to other local authorities.	May generate an initial number of complaints for the small increase in bulks charging. Contact Centre to promote voluntary sector assistance for the collection free collection of reusable furniture and white goods	na	na	May lead to an initial number of formal complaints for the increase in bulk charges.
Total Environmental Services		**125,500**	**25,000**	**-**	**150,500**						
Family & Communities											
24 Children's Disability - Short Breaks	0	20,700			20,700	Clive Jones	Charges to be applied to build sustainability into service provision and maintain specialist equipment	Minimal though there may be some families in financial hardship who could not afford changes.	None	Income may enable sustainability of internal services in terms of replacement of maintenance of specialist equipment	Public concern regarding charges should be minimal as parents have already been consulted regarding potential charges and the vast majority are in
25 Play Team - Fees & charges Income maintain budget at 10/11 income level	6,500	2,000			2,000	Jas Bedesha	Fees & charges Income maintain budget at 10/11 income level	None	None	None	None
26 Charging PCT for Audiology work	0	40,000			40,000	Di Partridge	A review of audiology services offered by the Sensory Inclusion Service has revealed some work that should be charged to the health service.	None	There is a risk that health may decide to provide the service themselves. Given the nature of the Sensory Inclusion Service this may put a number of posts at risk	None	The Health Authority may choose not to commission a service from the Sensory Inclusion Service. Depending upon the alternative offered by health this may have an impact on the service offered to young
Total Family & Communities		**62,700**	**-**	**-**	**62,700**						
Housing & Planning											
27 Increase in license fees	(352,860)		12,600		12,600	Ian Mercer	due to reduction in the number of "taxi" licences and the decision of members to phase the increase this will reduce by £10k in the first full year and a further £10k in the second. This will be offset in part by line 15 below. This will not cover the impact of the phased introduction only the reduction due to the reduction in licences. the current fees for taxis have not been increased for 6 years, do not cover the cost of the service and the increase will move them into the upper third. the decision to increase fees has already been made by members and follows a public "consultation" exercise. Licensed premises fees are set by Government and are related o the non domestic rate of the premises. All fees are subject to the number of applications and as such all figures are a best guess based on historic numbers.	The business will have to fund the increase. Fee increases are likely to be passed on to the final customer but that is outside the control of the Council.	if the fee income is not realised there is likely to be the need for a further restructure and reduction in staff or alternative savings will have to be found	none	as a result of the proposal to increase fees for the private hire vehicle trade a significant number of drivers have elected to use a legal loophole and now licence vehicles and drivers with Shropshire Council. The fees are required to be reviewed as there is a legal requirement to only recover the costs of the process and this may result in a reduction of fees in the future.
Total Housing & Planning		**-**	**12,600**	**-**	**12,600**						

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
Property & ICT											
28 Catering : Increased income - including meal price increase and increased meal take up	(1,665,020)	12,500	16,100		28,600	Kate Sumner	Includes for increased income from meal provision following promotional and marketing activities supported by the School Catering Management System. Price increases will be required to reflect rising food costs. The current primary meal cost is £1.85 and the savings assume a 5p increase on this rate, and a 10p increase in the current rate of £2.00 for Secondary free school meals and meal deals. Secondary pupils will still be able to purchase individual items as required.	Annual increase for school meals provision	None	Increased cost of free school meal	
Total Property & ICT		**12,500**	**16,100**	**-**	**28,600**						
Total Income		**596,650**	**209,700**	**-**	**806,350**						
Operational Efficiencies											
Care & Support											
29 Mental Health Service Review - Review of partnership arrangements with South Staffordshire and Shropshire Foundation Trust (NHS). In addition to required staffing savings rationalisation and renegotiation of buildings and IT costs			50,000		50,000	Phil Merrick	Current governance and operational arrangements are being reviewed as part of overall service review. Reduction in staffing and renegotiation with the SSSFT should result in reduced level of operational running costs.	Should be no further impact on public outside of implications of staffing review.	Part of Phase 2 Restructure	SSSFT are also identifying operating efficiencies and are anticipating savings requirements.	None
30 Independent Travel Training - Savings to Care & Support		4,000	5,000		9,000	Transport - Helen Hill; Care & Support - Frances Carron?	Savings on Care & Support budgets for transport by training suitable individuals to use public transport rather than have bespoke transport procured for them.	Positive impact for clients as promotes independence. Requires training, monitoring and careful communication as service involves vulnerable adults and children.	Independent Travel Training post provided as part of Environmental Services restructure.	Saving is delivered by Environmental Services but relates to budgets managed by Care & Support	Requires careful identification of people to be trained to ensure that highly vulnerable people are not left to look after themselves
31 Various operational budgets across all service teams		49,366		2,000	51,366	Karen Kalinowski		None	None	None	None
Total Care & Support		**53,366**	**55,000**	**2,000**	**110,366**						
Core Services											
32 Organisational Improvement : Skills for Care	14,590	14,500			14,500	Emma Wilcock	Built into base budget following realignment of budgets as part of the implementation of a One Council Workforce Development Team. No need identified for this budget.	None	None	None	None
33 Organisational Improvement : Business Transformation Holding Account	7,000	7,000			7,000	Debbie Germany	Remainder of the business transformation holding account identified following the realignment of accounts. No need identified for this budget	None	None	None	None
34 Organisational Improvement: Priorslee Hospitality	3,000	3,000			3,000	Emma Wilcock	Savings from no longer routinely providing tea/coffee free of charge at training courses	None	None	None	None
35 Organisational Improvement :Social Care Workforce Room Hire Budget	10,390	10,390			10,390	Emma Wilcock	Savings through using council rooms and more efficient use of the learning facility. Use of external venues by absolute exception.	None	None	None	None
36 Workforce Development - Adults	353,200	110,000			110,000	Emma Wilcock	Reduce spend further by bringing together courses, deliver more for ourselves, reduce the frequency of certain courses - workforce development planning to be undertaken in detail and some resource held for 12/13 to respond to service changes following fundamental review and legislative requirements. There is a need to assess and mitigate risks as a result of these changes in 11/12 and 12/13	No impact expected as the service will be provided to meet priorities in a more efficient way.	None	Workforce Development will be focussed on priorities and delivering the service in a more focussed way. It will be tailored to need only. No impact expected.	A risk analysis will be carried out on transformed services to mitigate the risk. Some savings are being held back until 13/14 to ensure that the risk can be properly assessed.
37 Ctty Engagement, Equalities & Action: Budget assigned to address issues in Rural Area	31,210	21,000			21,000	Rachael Jones	Budget was identified number of years ago and has never been allocated as Rural issues dealt with through other routes - Saving could be realised in 2011/12	Impact likely to be minimal as need for funding to be used has not been identified previously. This would not involve a cut to any actual service delivery.	None	None	None identified
38 Ctty Engagement, Equalities & Action: Miscellaneous Budget identified when Team established , funding not been allocated 2010-11	31,210	6,000			6,000	Rachael Jones	Miscellaneous budget that not been used since team has been operational therefore likely to have no impact upon service delivery - Savings could be realised in 2011/2012	Impact likely to be minimal as need for funding to be used has not been identified previously. This would not involve a cut to any actual service delivery.	None	None	None identified

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
39 Ctty Engagement, Equalities & Action: Room Hire	3,080	1,500			1,500	Rachael Jones	Funding for Community Engagement sessions and Forums identified elsewhere in budget - all other meetings to be held in Council buildings so reduced or no charge. Savings could be realised in 2011/12	Potentially small impact upon income generation of other community groups as will no longer be hiring their facilities. Priority Action Team able to assist organisations to identify other sources of income if reduction in hire of facilities has impact upon organisation.	None	None	If Community Organisations identify impact upon income generation - Priority Action Team could work with them to identify other funding sources.
40 Ctty Engagement, Equalities & Action :Other supplies and services costs including staff training mileage, equipment purchase, refreshments, telephones and other services.	17,750	12,230			12,230	Rachael Jones	Budgets not been spent previously so aren't required on an ongoing basis.	No impact on the community identified.	None as remaining budget enables needs of staff to be met.	None	None identified
41 Delivery, Planning & Management: Reduction of consultation survey budget	24,510	11,000			11,000	Jon Power	Undertake Citizen Survey and Community Panel in-house.		None	This saving may mean that services we support by undertaking consultation surveys will have to contribute to associated printing and postage costs.	
42 Policy & Strategy: Various operational savings including room hire, travel and stationery	1,120	1,870			1,870	Fliss Mercer					
Total Core Services		**198,490**	**-**	**-**	**198,490**						
Customer, Leisure & Libraries											
43 Cease the Leisure 'Quest' external evaluation/inspection process	4,250	10,000			10,000	Stuart Davidson	Removal of voluntary external annual assessment.	na	Staff identified potential saving through consultation	na	Reduces independent evidence of service quality and therefore increases risk of challenge.
44 Cease our contribution to sinking fund at Oakengates Leisure Centre and deal with replacement as part of capital programme		15,000			15,000	Stuart Davidson	Asset management is part of the capital programme	Nil	Nil	Nil	None
45 Increase rents by 6% for room hire in community centres in the short term,	(116,230)	5,000			5,000	Stuart Davidson	Implement as part of annual pricing review.				
46 Reduction in community centre equipment budget saving £2,600 per annum	1,560	2,600			2,600	Stuart Davidson	Small saving on overall equipment budgets		na	na	na
47 Reduction in marketing and promotions budgets for Leisure services - promoting leisure centres/golf/ice/ski/gym/swimming	52,420	10,000		10,000	20,000	Stuart Davidson	Prioritise marketing activity and make use of social media: facebook/twitter/email	na	na	na	Need to ensure value for money and monitor rate of return.
48 Increase the use of volunteers working at Oakengates Theatre as stewards to reduce longer term use of casual salaries budget	55,520	9,850	9,000		18,850	Psyche Hudson	Viable alternative service delivery option e.g using volunteers	Reduced opening hours and staff resource. Customer First Point for information and Online Booking facility for theatre will remain available.	Reduction in number of casual post holders.		
49 General reduction in operational budgets at Oakengates Theatre e.g. marketing, promotions, postage, casual budgets	104,050	10,000	13,000		23,000	Psyche Hudson	Viable alternative service delivery options e.g reducing opening hours, management staff being more operational , more on line literature, on line booking promoted, use of volunteers etc.	Online Booking facility for theatre will remain available and use of volunteers will help to ensure no reduction in customer service at the theatre.			reputation - access to services and less diverse cultural offer as we move to more commercial bookings at the Theatre e.g. comedy.
50 Libraries - general reduction in overall operating costs eg stationery, marketing, promotions, postages	52,630	5,870	3,000		8,870	Sharon Smith		Limits number of reading development activities; possible delays to request service etc	Will require 20% staff saving to be delivered following formal restructure launch at the end of January 2012	na	
51 Reduction in Microsoft office licence costs in Library Services	0	8,000			8,000	Sharon Smith	Microsoft licence costs removed for educational sites including Libraries.	none	none	nya	
52 Reduction in grant to Shropshire archives who provide archival services for both Shropshire/Telford & Wrekin (shared service)	65,940	8,200			8,200	Sharon Smith	Archives need to take a share in the wider Library Savings in order to achieve the 20% staffing and non staffing targets	Unique provider; likely to impact on opening hours, digitisation, conservation of records etc.		Joint arrangement with Shropshire council for provision of archives service	Possible staff reduction in Shropshire Archive Service run by Shropshire Council but partially funded by T&W council.
53 Libraries: Reduction in library building overheads by way of a reduction in opening hours in the 5 neighbourhood Libraries. Pending consultation in Jan 2012	210,840		38,120		38,120	Sharon Smith	Cannot achieve 20% staffing target without rationalising buildings & relocating services Service Review now completed with proposals for the 5 Neighbourhood Libraries (Donnington, Dawley, Oakengates, Hadley and Stirchley) reducing to 16 hours of opening each week going out to public consultation in early January 2012.	shorter opening hours alternative or co-located sites as part of BSF Programme	Will require 20% staff saving to be delivered following formal restructure launch at the end of January 2012	n/a	1964 Act requires the provision of a "comprehensive & efficient" library service which must be maintained and this has been adhered to when developing proposals for public consultation early in the New year of 2012
54 Reduced telephony and postage costs in the Revenues and Benefits Service	135,220	4,000	4,000		8,000	Sophie Lane	General reduction in supplies and services budgets	na	na		May be difficult to achieve if the benefit case load keeps
55 Reduced costs for printing of bills, invoices through reduction of pre-paid	101,790	12,200			12,200	Sophie Lane	Lean and new and efficient ways of working has allowed this saving to be realised. The service				
56 Reduction in mobile visits in the Benefits Service will see a natural reduction in mileage costs	18,900	3,070			3,070	Lee Higgins	Less home visits due to new ways of working and new appointment service	na	na		

Description of Saving	Budget £ 2011-12	Additional Annual Ongoing Savings - £ 2012/13	2013/14	2014/15	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
57 Customer Services - reduction in various operational budgets eg training, postage, publications	111,350	17,600	5,000		22,600	Andrew Meredith	Limited immediate impact on service delivery, as the savings will be delivered through a combination of savings against the coaching and equipment budgets.		There is no immediate direct impact on staff	None	None
58 Reduction in the operating costs at Arthog through a combination of pricing, attracting new markets for weekend activities	(796,850)	50,000			50,000	Stuart Davidson	Recently moved to be part of wider Leisure officer and more commercial approach to operations is already resulting in an increase in business and therefore income to further reduce council subsidy which is already minimal				
Total Customer, Leisure & Libraries		**171,390**	**72,120**	**10,000**	**253,510**						
Economy & Skills											
59 One Telford: Reduce events/sponsorship budget	28,190	24,000			24,000						
60 One Telford: Reduce website development	32,400	6,000			6,000						
61 One Telford: Remove market research	56,250	32,000			32,000						
62 One Telford: Reduce sector development	40,190	6,000			6,000						
63 One Telford: Reduce training and development	10,000	5,000			5,000						
64 One Telford: Reduce postage, subscriptions, p/copying, stationery	15,050	14,000			14,000						
65 Education Business Partnership : Proportionate cut across all non-staff revenue budgets	93,150	32,397	-	-	32,397	Corin Crane	Service Area restructure proposals involve a proposed reduction of staff posts from 9 to 4 resulting from loss of government grant. Non staff revenue budgets would be reduced	Reduced level of work experience opportunities for young people, but targeted at those schools willing to purchase the service	None directly	Increased pressure on schools to provide work experience/ employment support for pupils	Potential impact on youth unemployment
66 Education Business Partnership: Various non-staffing reductions in revenue	141,830	47,230			47,230	Corin Crane	Based upon previous years spend analysis	N/A	N/A	N/A	N/A
67 Education Business Partnership: Reduction in Citi-regions promotions	29,770	14,770			14,770	Corin Crane					
68 External Funding: Reduction in non staffing budget	1,500	1,134	-	-	1,134	Corin Crane	Minor reduction in non staffing budget	Minimal	None directly	Minimal	None
69 Connexions - various operational budget efficiencies	106,680	21,550			21,550			Minimal	Minimal	Minimal	None
Total Economy & Skills		**204,081**	**-**	**-**	**204,081**						
Environmental Services											
70 Engineers - Stoney Hill tipping costs	74,900	20,000	27,000		47,000	Chris Butler	This saving will be achieved when the leachate pumped from the landfill cells is discharged directly to the public sewerage system rather than by tankering. The pipeline is under construction This was approved by cabinet as a spend to save initiative using capital funding.	Improved sustainable system of disposal and less danger of leachate break out	Possible increase in management of the site contractors.	.	Limited
71 Waste & Refuse: Increased recycling by encouraging 30% of Borough wide households that currently don't recycle or recycle at very low levels and also apply the Council's grey bin policy to existing as well as new customers.	3,257,320	75,000	75,000	150,000	300,000	Dave Hanley	Survey data suggests that up to 30% of households don't use the existing kerbside service for the collection of recycling materials. A social marketing programme to encourage these households could be rolled out over the next three years. The saving will also increase with the continuing increase in landfill tax. Also properties who currently have more than one grey bin are to be reviewed i.e. apply the new policy of 6 or more people in the household	Non recycling households can be a cause of frustration for the majority of the community who currently recycle. We need to promote the social responsibility of recycling, reducing landfill and the ever burdening landfill tax	Needs to draw on expertise and input from Community teams, PR and consider additional resources to stimulate roll out i.e. door to door knocking teams	Needs to draw on expertise and input from Community teams PR and consider additional resources to stimulate roll out i.e. door to door knocking teams to encourage households plus listen and respond to customer enquiries.	May not be popular with households who don't positively engage so need to promote that all residents have a social responsibility to recycle in order to prevent landfill and ever increasing taxation on landfill
72 Highways & Transport: Efficiency arising from a more collaborative approach working with the Police on the Safer Roads Partnership. West Mercia Police will provide funding for the operation of core services of the Safer Roads Partnership, reducing the need for funding from partner local authorities.	230,010	180,000			180,000	Stuart Freeman	The authority is part of the partnership but is no longer required to provide funding in the same way as it has done historically. Saving can be achieved with no change in the level of service received from the Safer Roads Partnership.	N/A	N/A	N/A	N/A

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
73 Highways & Transport: Lean review of reactive and planned drainage maintenance	96,860	10,000	10,000		20,000	Chris Butler/Stuart Freeman	Review the processes for gulley emptying, planned cyclic drainage maintenance and reactive drainage requests to provide more efficient drainage function.	Outcome of Lean Review not yet known, if efficiencies cannot be identified may result in lower level of service .	Possible impact on TWS if reduced level of service is required.		
74 Transport: Transport Operations savings general efficiencies	610,830	80,000			80,000	Stuart Freeman	Savings from transport budgets - reduced repairs & maintenance realigning budget for community car scheme in line with current level of use and other operational efficiencies within the Transport Operations group.	none	Not expected to have staffing impact.	N/A	Expected that savings can generated without impact on services provided.
75 Environment & Open Spaces: Seek to change the payment mechanism on TWS contract	5,287,350	75,000			75,000	Dave Hanley	Agree payment in advance mechanism for TWS who could in turn discount the contract as it benefits their cash flow and purchasing powers, current payments are made in arrears. This does not the affect payment retention by the Council for service failures	N/A	N/A	Finance and Audit due diligence	
76 Environmental Services: Various reductions in non-staffing revenue budgets	179,030	66,300			66,300	Stuart Freeman/Dave Hanley/Chris Butler	Various back office efficiencies based upon prev	N/A	N/A	N/A	N/A
77 Highways & Transport: illuminated signs and bollards ,savings will be generated through replacing where necessary with non-powered signs therefore saving electricity.	121,590	5,000	5,000	5,000	15,000	Stuart Freeman	Review inventory of signs and bollards and disconnect signs/ bollards where not required to be lit under regulations. Reduced scope for this in areas where street-lights are switched off. May require invest to save to replace signs/ bollards for reflective specifications.	Signs and bollards would no longer be illuminated - may result in increased complaints of signs not being lit/ visible.	Requires staff input to prepare work and would involve significant community liaison in implementing the changes		Level of savings restricted by what can be done within highways regulations and non-illumination of signs/ bollards cannot be done in areas where street-lights are turned off
78 Support the contractual reactive maintenance budget by utilising the capital sum (maintenance related) from new development sites.	5,287,350	55,000	50,000		105,000	Dave Hanley	Draw the funding off the capital lump sum associated with new development sites and to maintain current levels of expenditure on unforeseen maintenance works such as tree maintenance and fence repairs	N/A	N/A		
79 Environment & Open Spaces: Introduce highway reactive maintenance service efficiencies	5,287,350		50,000	50,000	100,000	Dave Hanley	Working with "Improvement and Efficiency West Midlands" a pilot programme is already in place to analyse opportunities to improve our reactive Maintenance procedures in order to find service improvements and efficiencies. The saving proposal is based on an assumption that revised practices will be identified in 2011/12, implemented in 2012 and savings will accrue from 2013/14.. Areas of work include pot hole / reactive maintenance programming and operations - predicated on a continuing and sufficient Capital programme.		TWS/Enterprise	This saving would have to be in agreement with TWS	
Total Environmental Services		**566,300**	**217,000**	**205,000**	**988,300**						
Families & Communities											
80 Two Year Olds - Early Years	282,338	70,000	-	-	70,000	Clive Jones	Based on further work identifying budget required to support this programme.	Minimal	None	None	None
81 Children's Trust support budget	15,000	10,000	-	-	10,000	Clive Jones	Still built in but assume no longer required for any other cross Children's forum	Minimal	None	None	Minimal
82 Early Years	478,106	175,000	-	-	175,000	Clive Jones	Uncommitted budget available following a review of non staffing budgets	Reduces amount of new preventative or early intervention work possible	None	Reduces amount available to support preventative or early intervention work which may impact number of contracts able to let with partners	None
83 Children's Centre Subsidy - Oakengates	130,000	120,000			120,000	Chris Marsh	Reduced subsidy applied to Oakengates in 11/12 and ongoing	Minimal	None	None	None
84 CSS - Short Breaks – Definition of more appropriate packages in line with criteria set out in the approved Short Breaks Statement	695,786		25,000		25,000	Di Partridge	Definition of more appropriate packages in line with criteria set out in the approved Short Breaks Statement	Minimal	None	Minimal	Public concern regarding changes. Our approach will be to work with our partners deliver this small saving.
85 CSS – Educational Psychology – reduction in spend on supplies and services	43,515	10,000			10,000	Di Partridge	Reduction in spend on supplies and services, based upon an assessment of 2010/11 spend	None	none	None	None
86 Newport & Welling Cluster - supplies and services – operational efficiency arising from delivering services from three key locations as opposed to the present 5 cluster bases	34,400	5,000			5,000	Chris Marsh	Operational efficiency arising from delivering services from three key locations as opposed to the present 5 cluster bases	None	None	None	None
87 Early Years Programme – Graduate Training Programme for Early Years Managers. Initial training programme nearing completion. Small budget retained for ongoing training programme.	191,172	50,000			50,000	Chris Marsh	Initial training programme nearing completion. Small budget retained for ongoing training programme.	Minimal	None	None	Reducing amount available for ongoing workforce development which could impact on our ability respond to changes in priorities. Some funding has been set aside within budgets to support limited workforce development

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
88 Parenting – Supplies and Services. Reduction in supplies and services budgets to reflect previous spending levels	33,091	13,000			13,000	Chris Marsh	Reduction in supplies and services budgets to reflect previous spending levels	None	None	None	None
89 Cluster – Training. Small reduction in training budget	3,738	3,000			3,000	Chris Marsh	Small reduction in training budget. Reflects move from five clusters to three support hubs and the rationalisation of services proposed through service review	Minimal	None	None	Reducing amount available for ongoing workforce development which could impact on our ability respond to changes in priorities. Some funding has been set aside within budgets to support limited workforce development
90 Assertive Outreach – supporting families in need. Small reduction in budget bringing it into line with 10/11 activity. Sufficient budget remains to meet existing commitments and a small budget for other early intervention activity	75,225	25,000			25,000	Chris Marsh	Small reduction in budget bringing it into line with 10/11 activity. Sufficient budget remains to meet existing commitments and a small budget for other early intervention activity	Minimal	None	None	Reducing amount available for additional intervention work not currently provided by the Council but recognised as a key component of early and preventative intervention work.
91 Early Years and Childcare – decommissioning behaviour support contract. Service now provided by Early Intervention Team.	20,000	20,000			20,000	Chris Marsh	Decommissioning behaviour support contract. Service now provided by Early Intervention Team.	Impact on income budget for behavioural support being picked up via School Improvement Restructure proposals	Minimal	Impact on School Improvement Service with a need to reduce staff or increase income target from schools	None
92 Commissioning of Teenage Pregnancy Services	138,000	18,000	20,000	-	38,000	Chris Marsh	Reduced funding available to support preventative work relating to teenage pregnancy.	Impact on teenage pregnancy rates within the Borough which are already higher than those in other statistical neighbour. Additional work in tackling some of the causes of teenage pregnancy will be considered in Phase 2 of the Children and Family Services Review .	There may be some impact on staffing which will be addressed through Phase 2 of the C&YP Service Review. The reduction in funding will be phased.	Impact on ability to deliver existing programme in partnership with health.	see left
93 Independent Travel Training - Savings to Family & Community Services		14,000	18,000		32,000	Transport - Helen Hill; & Care & Support	Savings on Care & Support budgets for transport by training suitable individuals to use public transport rather than have bespoke transport procured for them	Positive impact for clients as promotes independence. Requires training, monitoring and careful communication as service involves vulnerable adults and children.	Independent Travel Training post provided as part of Environmental Services restructure.	Saving is delivered by Environmental Services but relates to budgets managed by Care & Support	Requires careful identification of people to be trained to ensure that highly vulnerable people are not left to look after themselves
94 Post 16 route rationalisation New College/BRJ		-	5,000	-	5,000	Helen Hill	rationalisation of routes	Minimal	Minimal	Minimal	
95 Games and Swimming Transport	21,000	-	-	21,000	21,000	Jim Collins	Links to proposals for developing cooperative learning communities. Following implementation of these proposals these costs will no longer occur	Minimal	Minimal	Impact on school lesson planning, and hence attainment, if introduced before implementation of BSF proposals	
96 Rationalisation of Lilleshall/High Ercall Buses	48,000	32,000	16,000		48,000	Kathy Swallow	These are discretionary services currently being subsidised by the Council. One of these services is currently under review following the deregistration of the service. This service transferred pupils (who do not qualify for free home to school transport) from Muxton, Donnington and The Humbers to Lilleshall Primary School. A proposal for a single term is currently being consulted upon with a view to exploring a community transport option from January 2012.	Withdrawal of lilleshall services altogether could present problems for parents wishing to transport their children to school given that they would need to make alternative arrangements. Circa 53 pupils currently use this service. There are safeguarding concerns regarding use of this service given that it is a public service and primary children using the service are not accompanied by parents or any other supervisor. Following a period of consultation the lilleshall service has now been withdrawn.	None	possible impact on school admissions for Lilleshall and High Ercall Primary School if services withdrawn	
97 Home to School Transport – Further route efficiency resulting in smaller bus required Wellington to Newport	3,317,113		33,000		33,000	Kathy Swallow	Further route efficiency identified by Transport Team resulting in smaller bus required Wellington to Newport	None	None	None	Demographic change dictate larger bus required
98 Home to School Transport – further route rationalisation between Newport and Muxton and surrounding areas.	3,317,113		20,000		20,000	Kathy Swallow	Further route rationalisation between Newport and Muxton and surrounding areas.	Minimal	May lead to creation of post (funding from savings or school) to support extended provision in school needed to support early arrival of pupils	Would need to work in partnership with schools to secure this saving	Reliance on school being prepared to work in partnership.
99 Housing Challenge – initiative ended 31st March, no commitments against current budget	37,000	37,000			37,000	Jas Bedesha	Initiative ended 31st March, no commitments against current budget it	Minimal	None	as above	as above
100 Play Team – Supplies and Services service efficiency possible based on 10/11 spend pattern	15,749	5,000			5,000	Jas Bedesha	Supplies and Services service efficiency based on 10/11 spend profile	None	None	None	None
101 Access2Activities – Car Hire Charges – service efficiency based on 10/11 spend pattern	18,000	3,000			3,000	Jas Bedesha	Car Hire Charges – service efficiency based on 10/11 spend profile	None	None	None	None
102 Family Information Service – Supplies and Services reduction in spending on printing and publicity arising from proposals to reconfigure and relaunch the service as part of Family Connect	40,538	5,000			5,000	Debbie Lloyd	Supplies and Services reduction in spending on printing and publicity arising from proposals to reconfigure and relaunch the service as part of Family Connect	None	None	None	None
103 Youth Offending Service	598,000	75,000			75,000	Jas Bedesha	Ongoing efficiency arising from a rebalancing of partner contributions when setting the budget for 2011/12	Minimal	None - arising as a consequence of not filling vacant posts	None	
104 Operational Community Safety Budget Efficiencies (conferences, consultants, publications)	79,753	3,630			3,630	Jas Bedesha	Reducing use made of consultants, access to publications and attendance at conferences. Instead use internet and support from neighbouring LA and the region (West Midlands and West Mercia).	None	None	None	None
105 Reduction in CCTV Budget	76,140	50,000			50,000	Jas Bedesha	available following a review of CCTV operations and policy across the Council	None	Minimal	Some impact on Property and ICT	None

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
106 Reduction in Prevent Budget	116,200	80,000			80,000	Jas Bedesha	Smaller community safety programme. Prevent funding ceased in 2010/11. A budget was retained to support further work.	A smaller budget will remain to support a smaller programme.	None	Reduced level of support available to fund multi agency working.	None
107 Reduction in No. Of Statements of educational Need and Out of County Placements for Special Education - Part 2 (Retained DSG)	2,754,315	171,000	100,000	140,000	411,000	Di Partridge	Through the implementation of proposals set out in phase 1 - Children and Family Services Service Review new process and structure will see the level of statements issued fall initially to national average levels. The level of high cost placements will fall as a result of earlier and more appropriate intervention.	The successful implementation of this proposal will also see an increase in funding available to support schools via the Dedicated Schools Grant.	Phase 2 staffing proposals will set out a revised structure for supporting the statutory assessment process including the instruction of an effective gateway.	Schools will benefit from additional funding - see left. We will need to work with schools to deliver these proposals over coming months.	The effective implementation of these proposals depends on being ale to bring services together in a single location and the successful implementation of Family Connect - single point of referral and gateway.
Total Families & Communities		**994,630**	**237,000**	**161,000**	**1,392,630**						
Finance											
108 Various operational budgets across all service teams	142,070	56,400			56,400	Ken Clarke		None	None	None	None
Total Finance		**56,400**	**-**	**-**	**56,400**						
Governance											
109 Health & Safety - various operational budgets including course fees, stationery and publications	9,970	4,500			4,500	Jo Revell		Minimal	None	None	None
110 Civil Resilience - various operational budgets including room hire, support for Crisis Commander software and conference costs.	8,320	6,220			6,220	Jo Revell		Minimal	None	None	None
111 Additional operational budget savings identified across Governance	502,580	39,710			39,710						
112 Other operational budgets in audit and procurement	5,950	2,100			2,100	Jenny Marriott		Minimal	None	None	None
Total Governance		**52,530**	**-**	**-**	**52,530**						
Housing & Planning											
113 public protection various operational efficiencies.	34,610	10,000			10,000	Ian Mercer	the various operational efficiencies will include conference, professional development, training, marketing and equipment budgets. It will reduce the effectiveness of the service which is a statutory requirement. Public Protection is delivered below the unitary average. .	the whole community will be affected as it reduces the effectiveness of the existing service.	reduction in professional development will impact on professional staff who need to demonstrate continuing competence which in turn may lead to challenge in the courts and reduce resilience in the service. The teams operate to Codes of Practice which require certain competencies and without them staff are unable to practice. Procedures require the use of fully functional and calibrated equipment to enable evidence to be gathered and this equipment must be kept correctly calibrated.	none	the use of staff and equipment will be challenged in the courts and the council needs to be able to demonstrate competence of staff and calibration of equipment. Existing procedures and protocols cannot be operated without the correct staff and equipment - the alternative would require the employment of other qualified staff and is not considered cost effective.
114 Housing Services - storage costs/bonds etc.	307,000		20,000		20,000		Based upon historic spend against this budget (which meets the cost of storage of clients belongings during period in temporary accommodation and off site storage of files and materials)	May require clients to be charged for the off site storage of belongings.	None	None	None
115 Reduce B&B usage resulting in less Housing Benefit subsidy being lost	307,000		20,000		20,000	Katherine Kynaston	Reducing current reliance on B&B to provide temporary accommodation will reduce loss of housing benefit as well as benefiting clients. By working with clients contacting the service to prevent homelessness, working effectively/closely with other agencies e.g. through Joint Assessment Panel/SAP to maintain/support clients in existing accommodation or ensure clients are supported/housed by the most appropriate service/agency and develop opportunities to meet housing needs via private sector housing (developing the Bond Scheme) there is scope to reduce B&B usage.	The Authority has a statutory homelessness duty and this will continue to need to be met. If more measures can be introduced to prevent homelessness and/or house via the Bond, this will benefit clients providing accommodation more suited to their needs and supporting their move back to independence.	None	Leakage into HRA account.	Changes to the benefit system pose a threat of more people presenting to the service as homeless. This may lead to an increase in numbers needing temporary accommodation impacting on the service ability to reduce B&B usage even with the measures identified in place.
116 Strategic Housing - various operational efficiencies	49,480	1,600	2,700		4,300	Katherine Kynaston	Increased efficiencies in non front line services	None	None	None	
117 Planning & Development management - various operational efficiencies	33,870	18,300	18,400		36,700	David Fletcher	Increased efficiencies in non front line services	None	None	None	

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
Total Housing & Planning		**29,900**	**61,100**	**-**	**91,000**						
Property & ICT											
118 Catering: There is a significant amount of wasted milk as part of the Council's policy to offer free school milk to all children in nursery , reception, Key stage 1 and 2. Schools and parents will be asked if they want their children to continue with free milk. In essence, if a child want to continue to receive milk then they will be able to This is all about reducing wastage.	115,200	10,000			10,000	Kate Sumner	Continue with free school milk for children as per the existing policy for nursery, reception and key stage 1 but look to reduce wastage of milk by asking schools and parents if their children want to continue to receive free school milk.	No impact. If children want to continue to receive free school milk then they can.	None	None	
119 Catering & Cleaning: Reduce budget for Training and associated staff costs to reflect changes in structure		15,000			15,000	Kate Sumner and Mal Yale	Reflect changes in operational budget relating to staffing restructure	None	None	None	
120 Catering & Cleaning: Reduce budget for consumables, water coolers, printing and stationery		15,000			15,000	Kate Sumner and Mal Yale	Reflect changes in operational budget relating to staffing restructure	None	None	None	
121 ICT: Reduced costs of Wide Area Network as a result of property rationalisation	632,180	20,000	20,000		40,000	Kirsty King	Buildings will be decommissioned as part of the property rationalisation and therefore network links can be removed. These costs are in addition to savings in property running costs	None	None	None	
122 ICT: Removal of colour printing facility from Multi Function Devices (printers, faxes, copiers)	60,290		15,000		15,000	Kirsty King	Removal of colour printing facility as recommended within the Corporate ICT Strategy. Colour printing will still be available through other routes, with appropriate checks and balances in place.	None	None	These savings will be part of service budgets	None
123 ICT: Finance system maintenance costs	282,950	25,000			25,000	Sandy Brazier	Lower annual maintenance charge for the Financial Management System	None	None	None	None
124 ICT: Changes to remote access technology	282,950	10,000			10,000	Steve Roberts	Provide a different method of having secure remote access to the Council network through use of mobile phone technology instead of the tokens currently used.	None	None	None	None
125 ICT: Reduce licensing for the security encryption for mobile devices	282,950	1,000	1,250	1,250	3,500	Steve Roberts	Reduction in the need for security encryption on certain devices as with the increase of thin client the USB functionality is limited.	None	None		
126 ICT: Stop ICT benchmarking work and related subscriptions	9,040		2,500		2,500	Kirsty King	It could impact on proving value but external statistics can be provided as and when required	None	None	None	Investigate cheaper alternatives in benchmarking providers.
127 ICT: Reduction in training budget		20,000			20,000	Kirsty King	Reflect changes in operational budget relating to staffing restructure	None	None	None	
128 ICT: Reduction in stationery budget		2,000			2,000	Kirsty King	Reflect changes in operational budget relating to staffing restructure	None	None	None	
129 Property & Design: Reduced Repair & Maintenance at Civic Offices	64,390		14,500		14,500	Chris Goulson	Civic Offices being vacated 2013	None	None	None	None
130 Property Rationalisation - Phase 1 net savings relating to running costs		149,300	300,520	16,610	466,430	Chris Goulson	Rationalisation of Phase 1 operational properties	Council services will be consolidated at a reduced number of improved buildings	None	None	None
131 Property & Design: Reduce postage budget, phones and various elements of staff related operational budgets to reflect restructure		20,000			20,000	Chris Goulson	Reflect changes in operational budget relating to staffing restructure	None	None	None	None
132 Property & Design: Contingency for school schemes	10,000		10,000		10,000	Chris Goulson	Removal of budget	None	None	None	
133 Cleaning & Facilities Management: Reduce budget in relation to Carbon Reduction liability	340,000	100,000			100,000	Chris Goulson	Reduction in budget needed following submission of data to central governments relating to Council properties. Performance in reducing carbon emissions is better than anticipated when originally setting the budget a number of years ago.	None	None	None	None
134 Property & Design: Reduce budget relating to Printing/Stationery/Legal Disbursements/Hospitality		21,000			21,000	Chris Goulson	Reflect changes in operational budget relating to staffing restructure	None	None	None	None
135 Property & Design :Reduce lease car allocation		15,000			15,000	Chris Goulson	Reflect changes in operational budget relating to staffing restructure	None	None	None	
136 Estates & Investments: Insurance Excesses	23,000		6,000		6,000	Alan Fox	Investment property reinvestment programme results in reduced need for excess budget	None	None	None.	None
137 Estates & Investments: Reduce budget at the Business Development centre for associated running costs to reflect regular costs associated with water, NNDR, electricity etc.		30,000			30,000	Alan Fox	Reduce budget allocation to reflect regular costs of energy and building running costs	None	None	None.	None
138 Estates & Investments: Reduce Repair & Maintenance at investment buildings (including security, small holdings - recharge water)		15,620			15,620	Alan Fox	Reduce budget allocation to reflect regular costs of repair & maintenance and security etc.	None	None	None.	None

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139 Estates & Investments: Reduction in mileage budget to reflect regular costs and change in staffing structure		2,000			2,000	Alan Fox	Reflect changes in operational budget relating to staffing restructure	None	None	None.	None
140 Estates & Investments: Old Park Community Room - reduction in NNDR budget to reflect costs	2,500	2,500			2,500	Alan Fox	Reduce budget allocation to reflect regular costs of NNDR	None	None	None.	None
Total Property & ICT		**473,420**	**369,770**	**17,860**	**861,050**						
Safeguarding											
141 CAMHS	314,586	60,000			60,000	Laura Johnston	Saving accruing to Council from ongoing review of the Child & Adolescent Mental Health (CAMHS) Service	Reduced availability of service to some extent mitigated by better targeting of resource and service efficiencies .	Minimal - number of posts currently vacant	Could place greater pressure on other Council service budgets.	see let mitigated by reconfiguration of children and family services across the council and in particular the introduction of Family Connect
142 Transport - reduced requirements (in line with outturn)	74,480	30,000			30,000						
143 Reduction in Adoption allowances to reflect level of spend	224,950	10,000			10,000						
144 Operational Safeguarding Budget Efficiencies		15,000			15,000						
Total Safeguarding		**115,000**	**-**	**-**	**115,000**						
School Improvement											
145 Rationalisation of Transforming Learning Budgets	292,861	270,000			270,000	Jim Collins	Linked to Cabinet review of BSF Capital plans specifically for ICT development as part of Learning Community Plans.	Schools have already faced increased cost for ICT services this year due to cessation of Grant Funding.	None	Minimal though the decision to withdraw this level of funding may prove unpopular with some Headteachers	None
146 Schools Multicultural Development Service - relocation from school property as result of Phase 2 restructure	13,750	13,750			13,750	Jim Collins	As part of Phase Two of Service Review the Schools Multicultural Development Service will be relocated thus freeing up the current accommodation for which rent is paid.	Resources currently stored in accommodation may be relocated to a public library provision in consultation with Head of Customer, Leisure & Libraries	Part of ongoing Service Review	The level of service offered will be dependant on buy back from schools as part of a Service Level Agreement	The reduction in staffing may be perceived by some community members as unacceptable
147 Playing for Success alternative Education Provision - service efficiency based on 10/11 spend pattern	49,186	25,000			25,000	Jim Collins				Schools have additional funding within their budgets and may choose to purchase more support from this service area	The streamlining of this service may be perceived as reducing support for some of our more vulnerable learners
148 Behaviour Improvement Services - cessation of funding to schools in line with planned timescale	93,601	90,000			90,000	Jim Collins				Schools have additional funding within their budgets and should make appropriate provision in house to support the management of behaviour	There could be a greater number of children or young people excluded from school
149 Operational School Improvement Budget Savings		15,064			15,064	Jim Collins	As part of Phase Two of Service Review	Minimal	Linked to ongoing Service Review	Minimal	The reduction in service level may be perceived as negative by some Headteachers
Total School Improvement		**413,814**	**-**	**-**	**413,814**						
Total Operational Efficiencies		**3,329,321**	**1,011,990**	**395,860**	**4,737,171**						
Procurement											
Care & Support											
150 Use of Care Funding Calculator to challenge residential costs	3,746,000	50,000			50,000	Claire Gay	The "Care Funding Calculator" is a financial tool designed to calculate modelled care cost for ALD clients. These are then compared to prices charged by residential placements and costs of care are then challenged and prices overall will hopefully reduce	Should not reduce quality or availability of care so impacts should be negligible if any on service users, unless care homes then increase prices to other service users	None	None	None
151 Supporting People	3,707,440	200,000	200,000		400,000	Chris Harrison	Savings will be delivered following a fundamental review of existing contracts. The proposal is to move away from unit (building) based provision to a "Floating support" type model which should deliver efficiencies, but will also require reductions in support to those no longer deemed eligible for services. Will increase access to people not currently able to access services because they do not live in social housing	Could potentially reduce provision of support to vulnerable adults, but also could improve service to those who remain eligible.	None	Nome	Change will be resisted by some current provider s of building based support.
152 Market & Community Development - in particular development of a homecare framework agreement and introduction of electronic monitoring of homecare	8,431,000	100,000	100,000	100,000	300,000	Chris Harrison	Identified as potential efficiency in Audit Commission 'Improving Value for Money in Adult Social Care' and not as yet in place in Telford & Wrekin	More effective procurement should increase access to comparable priced domiciliary care for personal budget holders.	None	None	Could result in some businesses not being considered viable by providers and closing but could encourage new entrants to market.
153 Holding contract prices at current levels overall (compared to budget plan assumption of 3%)	28,737,000	900,000	300,000	150,000	1,350,000	Chris Harrison	Negotiation with care providers in context of overall national and local financial position	Providers may not make services available to council to purchase and rely on self funders. Could result in reduced choice or shortage of affordable care	None	Adverse impact on viability of some voluntary sector partners	adverse impact on viability of some local providers
Total Care & Support		**1,250,000**	**600,000**	**250,000**	**2,100,000**						

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Customer, Leisure & Libraries											
154 Renegotiate the support service contract with Northgate for the provision of the major Revs and Bens ICT system	120,170	50,000			50,000	Sophie Lane	Requires robust external re-negotiation with external supplier by the Head of ICT	na	na		supplier may decline to reduce costs of support and maintenance agreement as the only major supplier in the market place.
155 Reduction in the staff training budget in Revs and Bens following a review of the bailiff contract and agreement that training	23,620	10,000			10,000	Sophie Lane	The recently renegotiated bailiff contract saw the inclusion of some free training in benefits legislation	na	na	na	none
156 A Renegotiation of a long term contract with an external company managing the remaining 9 houses with financial mortgages	8,650	8,000			8,000	Sophie Lane	Removal of fee paid to external company and deliver service in house	na	na	na	none
Total Customer, Leisure & Libraries		**68,000**	**-**	**-**	**68,000**						
Environmental Services											
157 Procurement savings released from the re letting of a new Recycling service contract	74,160			150,000	150,000	Dave Hanley	This is a major procurement project and will generate savings through market factors/testing	Should be positive as proposal is reduce the numbers of bins, bags & boxes for residents.	TWS - ultimately TUPE	TWS/new provider	Impact on TWS and the 2019 contract but will be mitigated through TUPE
158 Waste & Refuse: Review clinical waste collection service i.e. To improve efficiency and effectiveness for the majority of the current 350 collections	58,760	50,000			50,000	Dave Hanley	It is possible to collect the majority of clinical waste in the residual grey bin and then commission a specialist sub contractor through TWS to collect from the remaining circa 50 properties. If additional capacity is required a small second grey bin can be provided	Supported by a positive EIA and individual communication with the households/residents clearly explaining the changes and the offer where appropriate of an additional small grey bin should reduce/alleviate adverse feedback.	loss of 1 TWS operative	N/A	Communication with PCT colleagues is ongoing and the changes proposed are the same as other Local Authorities who are making similar service changes
159 Waste & Refuse: Wood and MDF from CRC sites are currently recycled. The current recycling cost is high in comparison with national rates and considering increasing demand for wood fuels. Savings should be achieved by a formal re procurement exercise.	123,690	20,000	60,000		80,000	Dave Hanley	There are now several companies operating locally who can already accept the councils materials and the contract can be designed to give opportunity for schools to benefit from this procurement process			Schools may benefit from the procurement package	
Total Environmental Services		**70,000**	**60,000**	**150,000**	**280,000**						
Family & Communities											
160 Children's Disability - Short Breaks	695,786	11,000			11,000	Clive Jones	Reduced commitments on commissioning budget	None	None	None	None
161 CSS – Short Breaks Bradbury House/Action4Children – negotiated reductions in price/uplift for RPI	702,630	15,000			15,000	Di Partridge	Negotiated reductions in price/uplift for RPI achieved by Commissioning Team	None	None	None	None
Total Family & Communities		**26,000**	**-**	**-**	**26,000**						

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Property & ICT											
162 Catering & Cleaning: Retender of catering provisions and supplies	1,124,000	20,000			20,000	Kate Sumner	Procurement of food supplies product range to enable financial savings.	It could have an impact on some local businesses and has done in some cases already as part of the 2011/12 savings delivered.	None	None	
163 Catering & Cleaning: Reduction in transport budget	24,030	18,000			18,000	Kate Sumner	Transport requirements for the service have been reviewed and as a result vans on hire have been returned.	None	None	None	
164 ICT: Combine contracts for Asset Management and Service Desk Management Tool to realise improved service and savings.		50,000			50,000	Kirsty King	Change approach and specification to deliver savings	None	None	None	None
165 ICT: Renegotiation of broadband contracts	632,180	162,000			162,000	Kirsty King	Negotiated a significant reduction in costs	None	None	None	None
166 ICT: Renegotiation of GIS contract and changes to mapping service	333,230	150,000			150,000	Dom Musgrove	Retendering of GIS system to be managed in house and only pay software support costs	None	None	None	None
167 ICT : Move towards thin client technology away from PC and Laptop Leasing as part of implementation of the ICT strategy	To be confirmed (to be centralised)		103,000	103,000	206,000	Kirsty King	Break the cycle of PC and Laptop leasing and migrate onto the efficient and more productive Thin Client platform where possible as part of the ICT strategy and to maximise the use of property in line with the property rationalisation programme.	None.	None	Revenue savings will require capital investment in Thin Client Technology with the first phase included in the ICT capital strategy for 11/12. Cashable savings require all lease budgets to be centralised.	There is a risk that the sum of budgets available to be centralised to meet leasing costs will be insufficient, thus affecting the level of cashable savings that can be delivered.
168 ICT: Reduction in the number of Multi Function Devices (MFD's)	143,560		18,000		18,000	Kirsty King	Reduction in the number of printers as recommended by the Corporate ICT Strategy.	None	None	These savings will be against centralised ICT budgets.	
169 ICT: Renegotiation Network Testing as part of security measures	282,950	5,000			5,000	Steve Roberts	Renegotiate and consolidate into one contract the testing of the network to ensure that it is secure from the threat from hackers. There should be no reduction in service quality	None	None	None	None
170 ICT: Reduced infrastructure maintenance charges	282,950	10,000			10,000	Kirsty King	Physical servers will be decommissioned and moved onto the virtual platform, therefore maintenance will no longer be required. Maintenance is currently provided by external suppliers.	None	None	None	None
171 ICT: Review alternative suppliers of antivirus software on computers - Corporate	282,950		13,500		13,500	Steve Roberts	Review of available anti-virus products to produce budgets savings without leaving the authority at risk of data corruption.	None	None	None	
172 ICT: Review alternative suppliers of antivirus software on computers - Schools	432,980		30,000		30,000	Steve Roberts	Review of available anti-virus products to produce budgets savings without leaving the authority at risk of data corruption.	None	None	Leakage into school budgets	
173 ICT: Support Revenues and Benefits system in-house instead of through a third party	282,950		15,000		15,000	Sandy Brazier	Revenues & Benefits Application Support in house at the end of the current contract period.	None	None	None	None
174 ICT: Cease subscription to the system used as a tool to log and track ICT training skills for staff development	5,930	2,000			2,000	Kirsty King	This is to stop measuring staff skills as part of the PPD process and manage as per the overall approach within the Council.	None	None	None	None
175 ICT: Consolidate the various contracts with Northgate	282,950		50,000		50,000	Sandy Brazier	To bring inline all Northgate contracts into one and negotiate savings. If negotiation does not deliver savings anticipated then alternative procurement options will be assessed.	None	None	None	None

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176 Property & Design: Reduction in rental levels at Darby House as part of a rent review	520,000	88,000			88,000	Chris Goulson	Rent review and negotiation with landlord has resulted in a reduction in rental levels	None	None	None	None
177 Property & Design : Reduction in premium for Darby House Insurance	41,390	11,620			11,620	Chris Goulson	Reduce budget allocation to reflect insurance premium	None	None	None	None
Total Property & ICT		**516,620**	**229,500**	**103,000**	**849,120**						
Safeguarding											
178 Placements - Commissioning	11,543,806	250,000			250,000	Kathy Swallow	Service Review - placement mix, framework commissioning	Minimal	Minimal	Minimal	savings will be achieved through targeting greater procurement efficiencies and a rebalancing of placement activity towards lower cost placements, whilst maintaining high standards of care. Achieving this savings depends upon a change in culture and other preventative child and family intervention measures working. Ongoing service review work provides a foundation for the successful implementation of this saving
Total Safeguarding		**250,000**	**-**	**-**	**250,000**						
Total Procurement		**2,180,620**	**889,500**	**503,000**	**3,573,120**						
Reduced/Changed Service											
Core Services											
179 Organisational Development Budget	45,000		10,000		10,000	Debbie Germany	Further reduce the Organisational Development budget which is used to provide development opportunities for the whole organisation. Deliver saving in 13/14 following the implementation of a refreshed development programme post restructuring.	No impact expected as the service will be provided to meet priorities in a more efficient way.	None	Workforce Development will be focussed on priorities and delivering the service in a more focussed way. It will be tailored to need only. No impact expected.	A risk analysis will be carried out on transformed services to mitigate the risk. Some savings are being held back until 13/14 to ensure that the risk can be properly assessed.
180 Delivery, Planning & Management: Cancel Scope Solution contract to support Triangle Performance Management System by end of 2011/12	2,780	6,600			6,600	Jon Power	Cancel support contract to Scope Solutions for Triangle. Replace Triangle System in with in house database managed through SharePoint.		Development of new system will require office time.	Require ICT support	Failure to implement system. Have explored options to test concept over past 6 months.
Total Core Services		**6,600**	**10,000**	**-**	**16,600**						
Care & Support											
181 Review of transport mobility arrangements to ensure council only meets costs which exceed individuals mobility allowance. if exceeds current transport targets		25,000			25,000	Claire Gay	The current review of transport savings being looked at for Adult Social Care is in order to meet a 2011/12 savings target of £182k which has not yet been met. Further policy changes could be looked at to attempt to deliver these and additional savings.	In order to save additional amounts will need to reduce the provision of funded transport provision to a significant number of clients.	Potential impact on fleet transport staff	Likely Fleet transport provider	None
182 Apply cap to costs of care packages, in particular apply a maximum on domiciliary care packages in line with standard costs for residential care.	8,431,000	50,000	50,000		100,000	Claire Gay	Clients supported on Domiciliary Care packages need to be reviewed. There are those currently on packages of support which exceed level of residential care required to meet their support needs. Such a review may include a recommendation to change existing packages of care where this is the case, and to make sure future care packages offer the best value for money	Reduced choice and control with Council determining the care support an individual will get, and either capping financial support for home care or proposing alternative cheaper residential provision.	None	None	Potential legal challenge (judicial review) if cannot demonstrate proposals have been sufficiently thought through and consulted upon, such as in recent cases of reducing care costs in Birmingham and Pembroke

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183 Review of the Fair Access to Care (FACS) Criteria if the savings identified above are not achieved or no progress is made in resolving on an ongoing basis, the increasing pressure on Adult Care budgets from the substantial additional Continuing Health Care costs being passed on to the Council by the PCT. Would increase criteria from substantial need to critical.			ref above	ref above	-	Claire Gay	Raising the criteria from substantial to critical would significantly reduce the number of people eligible for council supported care services, particularly in non residential care services..	It is very difficult to model what impact raising the threshold may have, however a model has been produced based on the numbers of people receiving homecare. The model suggests that a maximum saving of £2.3m from the reduction in demand of 460 clients if support for all clients receiving less than 15 hours of homecare per week was stopped. Sensitivity modelling suggests that if critical need is defined as 10 hours care per week then removing all such clients could save around £1m and would impact on 300 clients. Actioning this could reduce the impact of the introduction of the other measures designed to reduce the demand for homecare packages and is likely to result in an overstatement of care needs by service users.	Lower level of demand would impact on in house ALD provider services and result in lower levels of staffing being required. In other service areas homecare services are purchased from the independent and voluntary sector.	Would reduce demand for services provided by the independent and voluntary sector	Would require extensive consultation and potentially subject to judicial review. Only five local authorities in the country have their criteria set at critical and Birmingham lost the judicial review they were subject to when proposing to raise their criteria to critical. Evidence suggests that savings are short term and result in an increased demand for services in the medium to longer term.
184 Implementation of Personalised Model of Service Delivery including: - Establishment of enablement and reablement for all service users prior to assessment of ongoing service eligibility and care planning. - Utilisation of assistive technology as preventative measure and as alternative to personal care. - Development of personal budgets and self directed support as alternative to council led service determination. - Development of transition service for 16-25 year olds to reduce ongoing care costs	28,737,000	800,000	1,150,000	1,000,000	2,950,000	Richard Smith, Frances Carron, Chris Harrison and Claire Gay	Extended evidence from current Intermediate care service to predict potential savings in care costs if nearly all people go through a reablement service prior to being allocated a personal budget. Also on basis on national evidence base. National evidence suggests that extensive use of telcare can achieve a 20% reduction in home care costs utilising the CSED telecare evaluation tool. Likewise utilising national evidence from implementation of self directed support and personal budgets. Successful transition from childhood to adult care with focus on developing independence and reablement can significantly reduce ongoing care costs	Potential to increase independence and choice for individuals in addressing their care needs. Transition to new model of service delivery may however cause concern and anxiety and therefore resistance to change from existing service users.	Apart of service review and Phase 2 of Service Restructure	The personalisation model of service delivery puts increased demand on the voluntary and independent sector to develop and provide care	Could result in instability in market provision during transition period.
Total Care & Support		**875,000**	**1,200,000**	**1,000,000**	**3,075,000**						
Customer, Leisure & Libraries											
185 Reduce funding for the Arts Development Team which will result in less art related activities within the community and schools	30,910	6,000	8,000		14,000	Psyche Hudson	Alternative funding sources will be accessed for development work e.g. sponsorship or commissioned by others e.g. health, schools, Arts Council via a grant etc.	Reduced Opportunities for target groups to participate. Reduced access to advice and information. We will seek alternative funding sources to continue work at certain level.	Reduction in number of jobs, already actioned via service restructure in Summer 2011.	Capacity to deliver for partnerships with other services e.g. youth, community safety	Ability to deliver on a variety of agendas for commissioning partners. Need to be more selective in our choice against resources available.
186 Reduce the amount of budget available to spend on community public events eg culture fest, park live however look to gain sponsorship from private sector to bridge the gap	35,260	8,000	9,500		17,500	Psyche Hudson	Alternative funding sources will be accessed for development work e.g. sponsorship	Reduced offer in terms of community events possible although will seek alternative funding sources and have secured some short term sponsorship so far. Skill up the community to run their own local events.			Reputation - less activity or events for the community. Getting the community skilled up to deliver its own events might be a way to provide the same amount of public events.
187 Final cut in grant funding from the Find Your Talent national arts and culture programme. Classed as 'leakage'	0	130,000			130,000	Psyche Hudson	Grant Cut, alternative options need to be explored to deliver childrens arts activities	Young people in particular have lost a great deal of regular activity following the governments decision to cut the FYT grant. Seek alternative funding sources and partnerships to deliver activity for young people.	All funded Jobs lost x 3; actioned in 2010 when the grant was cut by the government	Capacity to deliver in Schools and other Settings e.g early years, looked after, YOS	
188 Reduction in funds to be used by Telford Culture Zone - children and young persons arts development programme. Will move to a commissioning model and investment from schools/PCT/other commissioners.	108,340	12,000	17,000		29,000	Psyche Hudson	Reduced staffing, alternative options need to be explored to deliver childrens arts activities within reduced resources.	Young people in particular have lost a great deal of regular activity following national government grant cuts in 2010. We will seek alternative funding sources and partnerships to deliver activity for young people.	Reduction in number of jobs already realised in 2010	Capacity to deliver in Schools and other Settings e.g early years, looked after, YOS	Ability to deliver a wide variety of activity for CYP. Need to be more selective in our choice against resources available, seek partnerships to support and reduce expectations.
189 Consider relocating Dawley library to become part of new Sports and Learning Community site in Dawley saving on overheads and operational costs as a result of a shared location	6,560		6,560		6,560	Sharon Smith	Continue to deliver service in a shared location to reduce overheads via new school	Reduced floor space but potentially increased opening hours	staff savings already planned to be delivered in Jan 2012	nya	
190 Further reduction in the library book fund from £234,240 to £209,240 per annum	234,240	25,000	7,000		32,000	Sharon Smith	balanced approach to finding required savings. Other than the building the book fund is the largest library non-staff resource. Will also	Fewer items and /or copies purchased	20% staff savings will be realised following restructure launch in Jan 2012	nya	1964 Act requires the provision of a "comprehensive & efficient" library service
Total Customer, Leisure & Libraries		**181,000**	**48,060**	**-**	**229,060**						

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Families & Communities											
191 Extended Services	86,645	50,000	-	-	50,000	Clive Jones	Reduced extended services activity linked to changes in school funding.	Reduction in number of extended services activities supported by LA	None	Schools have additional funding provided directly to counter loss of central provision	Some activities target communities. For example trip to London for Miripuri families. These activities would be reduced
192 Targeted Mental Health in Schools Service	150,000	100,000	-	-	100,000	Clive Jones	Research project ended, temporary employees left. Lesson learned from the review incorporated into Children & Families service review.	Minimal	Temporary staff already left.	Minimal	Some of the experience/knowledge gained lost in the service review.
193 Community Safety – reducing budget available for number of one off community safety initiatives.	66,083	20,000			20,000	Jas Bedesha	Service Reduction but minimal impact. Moving to approach of pump priming initiatives and the seeking contributions from partners	Minimal.	None	Reducing amount available for commissioning of other local services	Reduce funding available for appropriate and timely intervention work. This is mitigated by the retention of a small fund to pump prime projects
194 Vehicle Leasing Savings resulting from discontinuation of use of Mobile Youth buses	10,000	10,000			10,000	Jas Bedesha	Youth buses use has been minimal hence a decision taken in consultation with the Cabinet Member for C&YP to return and hence save lease costs.	Minimal.	None	None	None
195 Various Youth Initiatives	158,000		95,000		95,000	Jas Bedesha	Reducing funding available to support positive activities for young people.	Reduced programme of activities for young people. Phase 2 C&YP service review proposals will identify a different approach to youth provision.	Minimal	Some initiatives are delivered in partnership with other providers. There may be some impact on partners ability to deliver proposals as a consequence of making this reduction.	
196 Community Safety - commissioning/grants for community safety initiatives	10,460	10,460			10,460	Jas Bedesha	Small uncommitted sum allocated to commissioning community safety initiatives	smaller programme of events.	None	Some of these grants would be used to support PVI sector initiatives. There are no commitments against this years budget	None
Total Families & Communities		**190,460**	**95,000**	**-**	**285,460**						
Environmental Services											
197 Engineers - Reduced inspection of pools and reservoirs - 10 % of the budget	6,910	3,000			3,000	Chris Butler	This is a further reduction on the frequency of programmed visits by engineering staff from weekly to fortnightly using an assistant engineer instead of a senior engineer. Monthly checking of records by senior engineer will continue.	Negligible impact on the community	None	None	Less frequent visits may result in incidents happening without our knowledge. However, in general the majority of incidents are reported by the public.
198 Engineers - Reduce annual maintenance spend on bridges.	162,290	4,000			4,000	Chris Butler	This is a saving on the bridge maintenance budget	Reduced routine maintenance on bridges resulting in defects being identified when inspected and put forward to the capital programme	None	Impact on highways and transportation if bridges have to be remodified or closed.	Many bridges in Telford were constructed within the same era and are deteriorating collectively.
199 Highways & Transport: Introduce a Street Lighting Energy Efficiency Programme including options for lower energy consumption technology, column rationalisation and dimming of lights. Requests from residents for other switch-off opportunities will be considered.	669,760	40,000	40,000		80,000	Chris Butler/ Stuart Freeman	Programme of efficiency measures to reduce the energy consumption of street lighting. May require some capital investment to achieve - options include using more energy efficient lights, dimming of lights. Residents requests for part-night time switch off will be considered.	The Efficiency Programme will treat switching off as a last resort unless requested by residents and other options such as more energy efficient technology will be considered where possible. If switching off has to be considered communities likely to be affected would be consulted and a Community Impact Assessment undertaken.	Efficiency measures will require input from staff in addition to providing a service on a day to day basis.	There may be impacts for the Council's street-lighting contractor which will be discussed as part of contract renegotiation process.	Any savings could be lost if energy prices continue to rise however the impact of any energy price rises will be mitigated through the Council having a more energy efficient street lighting stock.
200 Highways & Transport: Reduce Rights of Way maintenance this will result in only £5,500 remaining in the budget.	12,870		7,000		7,000		Would result in reliance on the capital programme for future investment	Would limit reactive maintenance/ repairs on Rights of Way network.		Proposal may reduce the level of funding the Council makes available to partners such as South Telford Rights of Way Partnership (STROWP).	Possible options to explore low level maintenance being done by community groups, alongside reactive maintenance work.
201 Environment & Open Spaces: Winter maintenance - to retain the current primary and secondary winter maintenance routes and gritting standards, salting/gritting standards and find operational efficiencies through greater use of new technology and th ehighway thermal monitoring	364,150	50,000			50,000	Dave Hanley	Explore technology opportunities which allows us to be selective on which areas of the Borough we need to treat as opposed to treating all routes simultaneously.	needs a proactive communication plan	TWS/Enterprise	could mean reduced gritting at some locations as some councils don't all meet our current service standard	Parishes/schools/PCT could contribute

	Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
		2011-12	2012/13	2013/14	2014/15	Total						
202	Waste & Refuse: Seek to change collection days across the Borough without affecting current household collection frequencies when the recycling contract is relet in 2014	3,129,140			300,000	300,000	Dave Hanley	It is not considered feasible at present for example to reduce to a 4 day week or up to 7 days across refuse and kerbside services due to existing vehicles dedicated to either kerbside or refuse collections. Consider compressing 5 days in to 4 or double shift patterns or 7day service.	Weekend service or early evening service may need to be considered			
203	Waste & Refuse: Rolling out recycling collections from remaining multi occupancy dwellings (flats) will save on disposal costs	918,810	32,000			32,000	Dave Hanley	Ensure recycling service is rolled out to all flats	Need assistance from Wrekin Housing Trust with site facilities	TWS	Wrekin Housing Trust may need to invest in storage facilities.	
204	Waste & Refuse: Rationalise the CRC service by closing the highest running cost site - Newport , and closing 2 out of 3 sites on a rotational basis on Tues - Thurs. Monday , Friday and Weekend opening of the 3 sites are retained .	884,350	260,000			260,000	Dave Hanley	Tuesday, Wednesday & Thursday are the weekdays with least use across all of the sites and Newport site has significantly less use throughout the whole week and is significantly more costly to run than the other 3 sites. Improved resident recycling services at Kerbside and an increase in community recycling facilities at for example Supermarkets has reduced the demand and use for CRC's.	The residents of Newport would be the most affected in terms of distance to their closest site. All residents across the Borough would be impacted by reduced availability of the remaining sites during off peak times. Closure of the one site would drop the Telford & Wrekin provision per 100,000 population to 1.8 sites compared to the family group average of 1.35 and the national average of 1.45. The majority of residents of Newport will still have a facility within the 10 - 15 minute travel time during peak periods. On days when the remaining sites close all residents may have a longer travel time to the closest open site.	TWS	TWS income	The strategic approach to reduce waste and to increase recycling amongst residents at the kerbside will reduce the demand for CRC services.
205	Environment & Open Spaces: Rationalise specifications for litter picking across the Borough and & sweeping in district centres but increase the number of rapid response teams and litter bin provision . Explore potential of changing district centre cleansing designations and litter picking frequencies to move away from a daily operation across the Borough	5,287,350	328,000	327,000		655,000	Dave Hanley	The Broad principles are ....Revise baseline service across all high density housing - to reduce litter picking frequency from weekly (zone 2) to fortnightly (zone 3) - Revise baseline service across all housing estates - to reduce litter picking frequency from Weekly/Fortnightly (zone 2 & zone 3) to monthly (zone 4) with the exception of arterial estate roads and key footpath routes - Revise baseline service across all district centres – to reduce car park sweeping from weekly to monthly (this does not affect litter picking frequency) - Increase the number of rapid response/reactive maintenance teams to address arterial estate roads and key footpath routes so to maintain current fortnightly litter picks in housing estates and use this 'offer' for Parish 'buy in' particularly in high density housing. Consider reducing the daily operations of shopping areas where littering is less apparent due to a high number of litter bin provision	Service standards and cleansing levels will need to be monitored on a regular basis.	Significant TWS impact	various - leisure sites, district centres, Borough Towns etc	Dissatisfaction in local environmental quality (LEQ) will impact on what people think of their local area. Could be off set by more litter bins as well as Parishes topping up standards or contributing to TWS hit squad teams

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
206 Change strategy in relation to tree and woodland work so that only essential work is carried out free of charge	5,287,350		23,000		23,000	Dave Hanley	Allow for residents to contribute to permissible local tree works for example minimum 50% contribution towards tree pruning and crown lifting. Typical contributions could be between £50 - £100. The council could reduce the budget but recover the difference by charging for certain types of non essential tree works. The Council has to give priority Health and Safety and insurance mitigation type work. We do however continue to receive a high number of other tree requests such as affecting light, overhanging branches above cars, satellite signals, solar panel shading etc. In these we would require resident or stakeholder contributions to undertake these works.	The tree budget needs to be aligned to Health & Safety type works across the Borough. Tree works which are desirable/non essential and are for the benefit of individual households should only be undertaken with a reasonable contribution from the household	N/A	various - leisure sites, district centres, Borough Towns etc will only receive essential tree work maintenance	Allow households to pay/contribute to non priority tree works on open space if it benefits them e.g. light, satellite signals etc
207 Highways &Transport: Introduction of Civil Parking Enforcement Powers (i.e. Traffic Warden function) across the borough and linking with Safer Communities Town Warden Scheme	0			150,000	150,000	Stuart Freeman/ Jas Bedesha	Apply to DfT for Civil Parking Enforcement powers and then link function with existing Town Warden scheme. Application to DfT likely to take 18 months, there are some restrictions on what duties can be combined with a Civil Parking Enforcement role. Telford & Wrekin is the only tier one local authority in the West Midlands without CPE powers.	Would be enforcement of on-street parking restrictions i.e. Yellow lines; parking on zig-zags outside schools; parking on the footway. Would need communication and awareness raising with general public prior to CPE being implemented.	Would require review of existing Town Warden PCSO roles. May be additional roles required. Also ticket processing and prosecution function required - recommended this is shared with other authorities already undertaking CPE duties.	Allows response to issues of people not observing waiting restrictions or inappropriate parking on High St's or outside schools, which have been raised as issues through town and parish council meetings and through PACT meetings.	Would require an initial investment to complete a review of all traffic orders and update road markings and signs on-site.
Total Environmental Services		**717,000**	**397,000**	**450,000**	**1,564,000**						
Housing & Planning											
208 (1) Review provision model for domestic violence (women's refuge) and (2) increase in HIA and PSH fees and charges	(132,070)		30,000		30,000	Katherine Kynaston	Saving includes 2 discrete elements: (1)Accommodation for those homeless due to domestic violence is currently provided through Willow Court. Victims of domestic violence are and will continue to be a priority group for service support. Willow Court provides an important service and includes facilities to work with children who have witnessed/been subject to violence in the home. However this type of accommodation does not suit all clients who sometimes find it hard to share accommodation with others. In order to afford suitable protection the refuge has to enforce strict policies regarding family visiting and clients can become isolated from their family. Other clients may also become overly reliant on the support and protection and a number of clients have been in residence many months causing a 'silting' up of the refuge and limiting scope to support new clients. It is also felt that the current service provided by housing for this client group is overlapping with that which other agencies are or should be providing. This is adding to the service costs. There remains a need to provide a safe environment for this client group where they can receive support from housing and other agencies. Other models for provision include a more dispersed model which would see clients placed in smaller units or individual accommodation. As Willow Court is owned by the service this building might then be leased to bring in a receipt and/or part or all used to address other clients who are currently placing pressures on the service e.g. rough sleepers. To deliver this saving a detailed review is needed into the options, costs and benefits of changing the delivery model. This will identify whether the anticipated saving is feasible. There may need to be capital investment to support the service change. (2) While it is important that the costs charged to clients accessing the home improvement service are affordable there may be scope to increase the fees charged to agencies, other internal services and to private landlords for improvements made to property, notices and potentially landlord advice. Post re-structure there may be scope for efficiencies to be made through developing the use of the HIA team and in the procurement of contractors working across the housing service.	(1) Alternative rather than reduced service model for domestic violence. (2) Impact of increases in Private Sector Housing Fees for some services.	None	(1) Housing service are providing aspects of support to victims of domestic violence that could or should be provided by other agencies/services. The impact of a change in delivery model needs to consider costs for and capacity within other agencies to ensure no impact on the very vulnerable client group (2) HIA fees dependent upon availability of DFG funding in future years. PSH fees dependant upon change of charging policy to charge for statutory functions.	(1) Dispersed model may make providing support for children within affected families less easy to provide than when all clients are on single site. Providing security at dispersed locations may be more difficult and/or incur some immediate cost. Mitigation needs to be considered via full review of options and risks. (2) Risk of pricing some clients out of receiving service which may result in their being unable to stay in their own homes and leading to costs to social services/housing to provide residential accommodation and/or care as a result of accidents in the home. May consider putting in increased fees and charges as a result of the expansion of the Handyman service as an alternative. Major current risk is the loss of DFG funding which from which fees are generated.
Total Housing & Planning		**-**	**30,000**	**-**	**30,000**						

Description of Saving	Budget £	Additional Annual Ongoing Savings - £				Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
	2011-12	2012/13	2013/14	2014/15	Total						
Safeguarding											
209 Placements Strategy	11,543,806	250,000	1,703,000	965,000	2,918,000	Karen Perry	Placement mix; reduction in unit costs. Increase in number of internal foster carers; net increase per year of 14 internal carers - 18 placements (this takes into account those who cease to foster) Development of Intensive Fostering 1 placement for year 1 total of 2 for year 2 and 3. In years 2 and 3 a 5% reduction per year through shorter duration of stay and fewer admissions- through impact of early intervention	Supporting children with more complex needs in the community. Need to recruit more local people as Foster carers.	Change in culture and ways of working, more visible focus on contribution of early intervention and specialist support staff	We need to be seeking fairer contribution from health for children with complex health needs	Risk that early intervention won't deliver as much or as quickly as anticipated. Risks that SW recruitment and retention will not be as effective as anticipated. Impact of national and local response to Munro in improving quality of SW
Total Safeguarding		**250,000**	**1,703,000**	**965,000**	**2,918,000**						
School Improvement											
210 Cessation of Contact Point requirement	76,542	76,542			76,542	Jim Collins	Service is no longer required due to efficiencies gained as part one of Service Review	Minimal	Absorbed through earlier re-organisation of Service	Minimal	None
211 Income arising from School Improvement Trading with schools	0	200,000			200,000	Jim Collins	School will be targeted as part of an ongoing three year Service Level Agreement and the School Improvement Service will be providing support which will generate this additional income	Schools will be approached during the Autumn term to ascertain the likely levels of buy back	Linked to ongoing Service Review	All departments offering services to schools will be expected to provide detailed information demonstrating value for money	Clearly there is an imperative to ensure that schools purchase services from the Council and not other providers
Total School Improvement		**276,542**	**-**	**-**	**276,542**						
Total Reduced/Changed Service		**2,496,602**	**3,483,060**	**2,415,000**	**8,394,662**						
Council Wide Savings											
212 Further review of fees and charges		330,000	990,000	660,000	1,980,000						
213 Further review of budgets in targeted		550,000	700,000		1,250,000						
214 Improved procurement			1,000,000	250,000	1,250,000						
Total Council Wide Savings		**880,000**	**2,690,000**	**910,000**	**4,480,000**						
Overall Total		**9,483,193**	**8,284,250**	**4,223,860**	**21,991,303**						

TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET

Service Delivery Unit	**2012/13 GROSS EXPENDITURE £**	**2012/13 GROSS INCOME £**	**2012/13 NET EXPENDITURE £**
Economy & Skills	5,814,030	2,588,560	3,225,470
Governance	5,428,560	4,786,770	641,790
Environmental Services	40,156,320	11,739,030	28,417,290
Housing & Planning	10,619,670	6,409,880	4,209,790
Property & ICT	26,272,450	28,324,750	(2,052,300)
Customer Services, Leisure & Libraries	96,389,450	87,469,180	8,920,270
Finance	5,938,110	5,938,110	0
Care & Support (Adults & Children)	77,185,500	31,506,400	45,679,100
Family & Community Services	33,661,720	18,321,880	15,339,840
Safeguarding (Adults & Children)	21,140,020	2,253,560	18,886,460
School Improvement	119,554,500	113,660,160	5,894,340
Corporate Core	7,088,410	5,716,620	1,371,790
Council Wide Items	19,512,500	6,173,230	13,339,270
Netting off of Internal Recharges included above	(38,972,630)	(38,972,630)	0
Total	**429,788,610**	**285,915,500**	**143,873,110**

Base Budget Movements from 2011/12 **Appendix 2**

	£'000	£'000
2011/12 Base Budget		**128,032**
Add back one off impact of using balances in 2011/12	1,420	
Add Back impact of one-off savings in 2011/12	7,835	
		9,255
One Off savings relating to council tax surplus included in funding row below		-900
		136,387
Inflation		
General	1,384	
Inflation / Income provision	994	
Landfill Tax - increased tipping charges	440	
		2,818
Council Wide Items		
LABGI Grant dropping out	400	
New Homes Bonus	-1,556	
Insurance Premia	-250	
Coroners	100	
Loss of WMS Dividend	600	
Temporary New Growth Point Funding ended	230	
		-476
Capital/Treasury		
Cost of Capital Programme	3,471	
Impact of 100 Day Budget	-1,191	
		2,280
Service Pressures & Base Savings		
Loss of PIP Rental - Hadley Redevelopment	140	
Adult Care Demographic & Care Pressures	600	
Continuing Health Care Costs	1,900	
Learning Disability - additional grant	-176	
Benefits Admin Grant Reduction	112	
Telford Ice Rink	139	
Procurement costs - recycling and waste	100	
Other	49	
		2,864
2012/13 Base Budget		**143,873**
Less Funding:		
Revenue Support Grant & Council Tax Income		122,026
Base Funding Requirement for 2012/13		**21,847**

Summary of 20% Savings Targets - £

Appendix 3

Service Area	Employee Target	Non-Staffing Target	Total 20% Target	Savings Delivered in 10/11 and 11/12: Employee Savings	Savings Delivered in 10/11 and 11/12: Non-Staffing Savings	Savings Delivered in 10/11 and 11/12: Total Delivered	Balance to Deliver: Employee Savings	Balance to Deliver: Non-Staffing Savings	Balance to Deliver: Total
Economy & Skills	582,318	249,912	832,230	103,200	129,500	232,700	479,118	120,412	599,530
Governance	552,170	148,522	700,692	250,847	101,740	352,587	301,323	46,782	348,105
Environmental Services	1,134,638	4,267,420	5,402,058	281,346	1,195,700	1,477,046	853,292	3,071,720	3,925,012
Housing & Planning	1,190,409	309,010	1,499,419	375,301	186,700	562,001	815,108	122,310	937,418
Property & ICT	2,444,302	1,779,540	4,223,842	483,209	567,300	1,050,509	1,961,093	1,212,240	3,173,333
Customer, Leisure & Libraries	2,023,095	1,020,794	3,043,889	423,660	321,300	744,960	1,599,435	699,494	2,298,929
Finance	782,303	56,584	838,887	329,202	52,000	381,202	453,101	4,584	457,685
Corporate Core	1,043,878	356,110	1,399,988	1,202,372	204,700	1,407,072	- 158,494	151,410	- 7,084
Care & Support (Adults)	2,292,511	6,923,106	9,215,617	462,174	1,670,000	2,132,174	1,830,337	5,253,106	7,083,443
Children's Areas	4,991,918	5,261,431	10,253,349	1,199,770	947,500	2,147,270	3,792,148	4,313,931	8,106,079
Total	17,037,542	20,372,429	37,409,971	5,111,081	5,376,440	10,487,521	11,926,461	14,995,989	26,922,450
							-	-	-

Employee Savings

Service Area	Employee Target	Delivered in 10/11 and 11/12	Balance to Deliver
Economy & Skills	582,318	103,200	479,118
Governance	552,170	250,847	301,323
Environmental Services	1,134,638	281,346	853,292
Housing & Planning	1,190,409	375,301	815,108
Property & ICT	2,444,302	483,209	1,961,093
Customer, Leisure & Libraries	2,023,095	423,660	1,599,435
Finance	782,303	329,202	453,101
Corporate Core	1,043,878	1,202,372	- 158,494
Care & Support (Adults)	2,292,511	462,174	1,830,337
Children's Areas	4,991,918	1,199,770	3,792,148
Total	17,037,542	5,111,081	11,926,461
			11,926,461

Non Staff Savings

Service Area	Non Staff Target	Delivered in 11/12	Balance to Deliver
Economy & Skills	249,912	129,500	120,412
Governance	148,522	101,740	46,782
Environmental Services	4,267,420	1,195,700	3,071,720
Housing & Planning	309,010	186,700	122,310
Property & ICT	1,779,540	567,300	1,212,240
Customer, Leisure & Libraries	1,020,794	321,300	699,494
Finance	56,584	52,000	4,584
Corporate Core	356,110	204,700	151,410
Care & Support (Adults)	6,923,106	1,670,000	5,253,106
Children's Areas	5,261,431	947,500	4,313,931
Total	20,372,429	5,376,440	14,995,989
			14,995,989

APPENDIX 4 - Summary of Restructure Savings

	20% Target	Savings Delivered in 2010/11	Balance to deliver	Savings Delivered (per budget strategy) 2011/12	Savings Delivered during 11/12 (per fin mon) 2011/12	Estimated Savings to be Delivered & Phasing 2012/13	2013/14	2014/15	Total Savings	Over/under Achievement	Percentage Achieved
Economy & Skills	582,318	50,000	532,318	53,200		479,118			582,318	-	20.00%
Environmental Services	1,134,638	20,000	1,114,638	261,346	60,084	793,208			1,134,638	-	20.00%
Housing & Planning	1,190,409	174,590	1,015,819	200,711	1,119	813,989			1,190,409	-	20.00%
Property & ICT	2,444,302	255,300	2,189,002	227,909	6,228	1,243,730	711,135		2,444,302	-	20.00%
Customer, Leisure & Libraries	2,023,095	291,080	1,732,015	132,580	580,521	960,549	25,000		1,989,730	- 33,365	19.67%
Governance	552,170	59,000	493,170	191,847	36,803	180,417			468,067	- 84,103	16.95%
Finance	782,303	101,000	681,303	228,202	255,101	198,002			782,305	2	20.00%
Core Areas	1,043,878	117,000	926,878	1,085,372	411,597	61,351	-	-	1,675,320	631,442	32.10%
Care & Support	2,292,511	356,232	1,936,279	105,942		1,788,887			2,251,061	- 41,450	19.64%
Childrens Areas	4,991,918	205,209	4,786,709	994,561	610,000	2,106,439	260,000	-	4,176,209	- 815,709	16.73%
Total	**17,037,542**	**1,629,411**	**15,408,131**	**3,481,670**	**1,961,453**	**8,625,690**	**996,135**	**-**	**16,694,359**	**- 343,183**	**19.60%**
									16,694,359	- 343,183	
Estimated Leakage						1,429,094	771,135	-			
SMT Restructure						300,000	100,000				
Used in 11/12 Budget Strategy					- 1,300,000						
Amount Available for Budget Strategy					**661,453**	**7,496,596**	**325,000**				
Cumulative Available for Strategy						8,158,049	8,483,049				

Summary of Reserves & Balances Position **APPENDIX 7**

Telford & Wrekin Council

Total Value of Reserves & Balances at 1 April 2012

£19.3m

	Balances held with Specific Commitments	General Working Balances	Balances held to mitigate Specific Risks (linked to the Strategic Risk Register)	Specific Earmarked Service Balances
	£10.3m (53%)	£3.2m (17%)	£4.4m (23%)	£1.4m (7%)

Balances held with Specific Commitments

Capital Funding for BSF	£0.2m
School Funds	£4.8m
PFI Sinking Fund	£0.9m
Self Insurance Fund	£1.0m
Regulatory Funds (S 38)	£0.5m
Council Tax Collection Account	£0.2m
Early Retirement Fund	£1.3m
LPSA Reward Grant - LSP	£0.4m
Other	£1.0m
Total	£10.3m

General Working Balances

General / Special Fund Balances	£1.5m
Released Service Balances	£0.8m
Other General Balances	£0.9m
Total	£3.2m

Balances held to mitigate Specific Risks

Bad Debt Provision	£2.3m
Insurance Fund	£0.8m
Education Risk Areas	£0.9m
Capacity	£0.4m
Total	£4.4m

Specific Earmarked Service Balances

Specific balances retained by Service Areas following the detailed review undertaken during 2010/11; including elections equalisation account, social care reserves and connexions balances	£1.4m
Total	£1.4m

	Balances held with Specific Commitments	General Working Balances	Balances held to mitigate Specific Risks	Specific Earmarked Service Balances
Estimated Usage in 2012/13	£2.4m	£0.2m	£0.1m	£0.5m
Estimated Usage in Future Years	£0.5m	£0.0m	£0.1m	£0.3m
Estimated Balance at 1 April 2014	£7.4m	£3.0m	£4.2m	£0.6m

Telford & Wrekin Council

Total Value of Reserves & Balances at 1 April 2014

£15.2m

APPENDIX 8

ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES: STATEMENT OF THE CHIEF FINANCIAL OFFICER

BACKGROUND

A key responsibility of the Chief Financial Officer is to give assurance on the robustness of the budget strategy which includes highlighting the risks associated with its deliverability and sustainability and the adequacy of reserves.

The framework within which the Council's budget setting process operates and the final budget strategy was developed is governed by legislation which provides regulatory safeguards for the Council:

> **Section 25 of the Local Government Act 2003** requires the authority's Chief Financial Officer to report on the **robustness of the estimates and the adequacy of reserves** allowed for in the budget proposals in the budget report, so Members are informed and can consider this when they make their budget decisions.
>
> **Section 114 of the Local Government Act 1988** highlights the Chief Financial Officer's responsibility to report to members if it appears to him that an unbalanced budget is likely to be set for the year.
>
> **Local Government Finance Act 1992** identifies the requirement to set a balanced budget.
>
> **The Local Government Act 1972 – Section 151 – Financial Administration** requires that authorities should appoint a Section 151 Officer to have responsibility for the proper administration of its financial affairs.
>
> **The Accounts and Audit Regulations 2003 – Regulation 5 –** requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.
>
> **The requirements of the prudential Code must also be complied with** (a separate report on prudential Indicators is included elsewhere in this suite of service and financial planning reports).

In addition the CIPFA guidance on Local Authority Reserves and Balances requires that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance.

ROBUSTNESS OF ESTIMATES

Overview

Following the Comprehensive Spending Review announcements in October 2010 it was clear that the level of cuts to Government Grant funding for local government would be significant. This was borne out by the grant settlement announcements in December 2010 (for 2011/12 and 2012/13) which left the Council facing real term grant cuts of £40m over the period 2011/12 to 2014/15. More recently, the Chancellor's Autumn Statement in November 2011 re-iterated that the outlook for public finance is not improving and further spending cuts beyond 2014/15 are to be expected. Given this challenging financial position, the Council has been running a comprehensive review of all its services and staffing structures since 2010. The reviews are progressing well with £11.7m gross savings being delivered in 2011/12 and an estimated £19.1m gross savings in 2012/13. Close monitoring will continue throughout the year to ensure that restructuring and service reviews meet the timetables set and savings are delivered. Work will continue to develop additional detailed proposals to deliver the further savings targets set out in the Service & Financial Planning strategy.

Overall therefore, given the continuation of the planned programme of service reviews and accompanying organisational and staff restructures which have been under way for some time now, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced due to Government grant cuts.

The 2012/13 budget and medium term financial plan has been informed by:

1. Council Wide Risk Management

We are continuing with the planned approach of service reviews but the high level of grant cuts will increasingly have front line service impacts and must be thoroughly impact assessed and final decisions informed by extensive consultation with the community in general but also where appropriate with specific groups of service users. It therefore seems inevitable that the level of financial risk will increase both to individual services and the operation of the council as a whole and this will be common to local authorities across the country. The current review of key risks is thus important to ensure we put in place a level of mitigation wherever possible.

In addition to the £1.6m ongoing contingency, we have set aside a one-off general contingency of £2.145m next year and will seek to add to that with any underspend at the end of 2011/12. A risk based review has also been carried out of all reserves and balances to inform the budget strategy. There has also been an assessment of key service risk exposure resulting in additional revenue investment into Adults' social care services.

Individual service areas have continually managed and monitored key risks relating to their service areas to ensure they are providing the best service they can faced with reduced resources and ongoing reviews. The senior management team monitors service delivery performance and seeks to mitigate significant potential exposures to risks.

2. The Monitoring Process

Monitoring provides a regular financial health-check throughout the year and also provides information which feeds into the budget strategy. Financial monitoring follows a risk-based approach with high-value, volatile areas being monitored more closely than low-value, less volatile areas. Regular reports are presented to Senior Management Team and Cabinet during the year which highlight any significant variances and therefore areas of risk. Progress on the programme of service and staffing reviews will be monitored through this route flagging both ‘in year’ and future year financial strategy impacts. The reports also monitor the budget contingency and performance against council tax, business rates and sales ledger income collection targets.

3. The Budget Setting Process

The overall medium term financial planning position of the Council is controlled through a model which is updated during the year as new information becomes available - including current year trends identified through monitoring. At a more detailed level finance officers meet with budget holders and review all budgets on an annual basis on top of the usual monitoring work. Budgets are cash limited. Areas of unavoidable growth and pressures have been identified and scrutinised as part of the budget process along with the deliverability of the savings package which forms an integral part of the overall strategy. These link to both the budget monitoring process, performance monitoring and risk management, discussed above, together with other issues such as meeting new legislative requirements and statutory obligations.

2012/13 Budget Assumptions and Considerations:

Given the difficult financial position the Council faces, a tight line has been taken on planning assumptions for next year but this is mitigated by the inclusion of the additional one-off general contingency (currently £2.145m which will be increased at year end) and a risk assessed review of reserves and balances.

Inflation Pay Award	 There is no allowance included for pay awards. There is an indication, in The Chancellor's Autumn statement, of a 1% increase in 2013/14 and 2014/15 and the planning assumption is that service areas would meet this cost within cash limited budgets if this was the case. No increases are planned for teachers pay.
Employer's Pension Contribution	The Council agreed with pension fund officers and the fund's actuaries the maintenance of its contribution rate of 16.3% for the 3 years 2011/12 to 2013/14. Following the independent review of public services pension provision undertaken by John Hutton the Government is proposing changes to the scheme and a number of options are currently being consulted on with a proposed implementation date of 2014.
Employer's National Insurance Contribution	Nil increase
Non-Pay budgets	3% in 12/13 and 2% in 13/14 and 14/15 – this is being held centrally and will only be allocated to services based upon demonstrated and agreed need.
Contingencies	There is an ongoing general contingency of £1.6m which is being supplemented in 2012/13 by a one-off £2.1m; any underspend at the end of 2011/12 will also be carried forward to 2012/13 as additional, one-off contingency (so the total one-off contingency may total up to £4m on current projections).
Service Pressures	The key service pressures identified for the medium term relates to the cost of Adult Social Care Packages and Children's Social Care.

	Additional ongoing funds of £2.5m are being invested into Adult Social Care in 2012/13 in order to meet increasing demands and the impact of Continuing Health Care costs being displaced onto the Council. Discussions are ongoing with the PCT about the potential to review the allocation of these cases between the PCT and the Council and one-off contingencies to support Adult Care Services. There are also savings totalling £4.1m to be delivered from Care & Support in 2012/13 so overall there is a net dis-investment of £1.6m. There is a plan to radically change service delivery within Adult Social Care which includes a major service re-design, moving more towards re-ablement and independent living. In line with national trends, numbers of Children in Care continue to increase; further there has been an increase over the medium term in the length of time that children remain in care; both lead to significant financial pressures and have resulted in a significant overspend against the budget in the current financial year. Our longer term strategy for Children & Families is to provide more support at the very early stages of difficulties and providing more intensive, targeted help for families with more complex needs. Progress in delivering against the reduced budget for 2012/13 will be monitored very closely. In recognition of the pressures facing the Safeguarding Service and to help deliver the savings required, it has been agreed to defer savings from restructuring until 2015/16.
Central Government Funding / Local Government Resources Review	The Government is changing the way local government is funded and a new Business Rates Retention Scheme will operate from 2013/14 onwards. The Council supports the general principles of the change however there are some potential risks that are highlighted in section 4.2 of this report. The Council has responded with comments on the proposed scheme through the consultation process. The proposals have many elements and it is not possible to make an assessment of the financial impact. Therefore funding projections

	beyond 2012/13 have a very significant degree of uncertainty and will be updated as soon as further information becomes available.
Welfare Benefit Reforms	The Council currently administers the nationally prescribed housing and council tax benefit schemes and receives a subsidy payment from the Department of Works and Pensions in relation to benefits paid out, together with a grant towards the administration costs of the scheme. The Government is proposing changes to the Welfare Benefit System and the council tax benefit scheme is to be replaced with a local discretionary council tax rebate scheme in April 2013 with Government support cut by 10%. This equates to £1.4m for the Council. The Government's assumption is that a new scheme will be in place from 2013/14 but this has been identified as an unacceptably high risk given that the details of how a new scheme will operate will be governed by regulations that may not be released until the Autumn and software suppliers are stating that there will be little time to make necessary changes to systems. The Council's budget assumption is therefore that a new scheme will be operational by 2014/15.
Interest Rates	Base rates began the year at 0.5% and have remained there all year. The Bank of England has extended its Quantitative Easing programme to £325bn. The next move in the base rate is expected to be upwards but not until late 2014. Our investment and borrowing strategies for 2011/12 are set within this context. The assumptions for new borrowing are 1.5%, 1.75% and 3.0% in 12/13, 13/14 and 14/15 respectively. The current strategy is to use maturing investments to reduce the need to borrow and therefore interest rate exposure. The average return on investments is 4.21% in 2012/13, 4.31% in 13/14 and 3.65% in 15/16. One of the primary objectives is to reduce the Council's exposure to risk while at the same time maximising returns. The Treasury Management Strategy for 2012/13 is presented to Council alongside the budget reports. The investment portfolio is monitored on a regular

	basis and advice is received from independent professional treasury advisors. An investment that generated a high rate of return was redeemed during 2011/12 in order to reduce the risk rating of the overall investment portfolio.
Treasury Management	The Treasury Strategy for 2012/13 follows the requirements of the Revised CIPFA Treasury Management Code of Practice and clearly identifies the various exposures to risk and strategies in place to minimise this. The Audit Committee has a role to review and monitor the Council's treasury management arrangements which includes policies, procedures and the management of risk. The 2012/13 Treasury Strategy was presented to Audit Committee on the 31 January for their consideration and comments.
Dedicated Schools Grant (DSG)	The figure estimated for Dedicated Schools Grant was £110.380m at the time of writing this report. The final DSG allocation to the Council will not be known until June 2012 when all adjustments for academies and pupil numbers are finalised. The Government is currently consulting on changes to the funding arrangements for schools and a shadow settlement is expected in 2012/13 which will show potential allocations resulting from the reforms. The earliest implementation date for a new funding system is 2013/14. Current consultation indicates that the Government does not intend to claw back any further monies from Local Authority Formula Grant in 12/13 to fund academies and therefore the General Fund budget will not be impacted. However, any schools transferring to academy status during the year will result in a reduction in Dedicated Schools Grant. Going forward, any further transfers to academy status are likely to have an adverse impact on the Council's Formula Grant. It is unclear as to the precise methodology to be implemented by the DFE and therefore the impact.
Estimates on the level and timing of capital receipts	The revenue budget and capital programme assume around £110m anticipated future capital receipts over the medium term planning

	period. Any delays in generating expected receipts or in the amounts generated will need to be taken into account in future service and financial strategies. This could require scaling the capital programme back, re-phasing schemes or entering in to additional prudential borrowing. Delivery of projected receipts is monitored on a monthly basis as part of overall financial monitoring and reported to Cabinet quarterly. There should be no further decisions taken which significantly increase this medium to long term exposure until there is a clear pattern of receipts being delivered as planned and satisfactory progress with the programme of service and staffing reviews is sustained.
Prudential Borrowing / Prudential Indicators	The use of prudential borrowing is in line with the capital programmes approved by full Council. The 100 day review of the 2011/12 budget reduced outstanding debt significantly which will generate ongoing savings of £2.9m. Given the overall financial position faced by the Council it is important that no further significant prudential borrowing commitments are entered into (unless matched by additional savings/income flows) until delivery of the savings from the service and staffing review programmes is substantially secured. Prudential Indicators are approved as part of the budget strategy (see separate report on this agenda) and are monitored and reviewed on a regular basis. The rules around the calculation of the cost of borrowing that must be charged to the revenue account – the minimum revenue provision (MRP) - have been prudently applied in setting the 2012/13 budget strategy. The policy in relation to MRP is set out in the Treasury Management Strategy Report.
Single Status	The Single Status process is underway with an implementation date of April 2014. An annual provision equal to 4% of the relevant pay bill has been set aside in the accounts for the 4 years 2007/08 to 2010/11. It is now considered that there is adequate funding in the provision and no further contribution will be made. The additional ongoing budget is included in the

	budget strategy wef. 2014/15 in line with the implementation date although has been reduced to reflect the reduced risk by the movement of employees on fixed points to salary grades and the reduction in the workforce of around 20%. There is possible exposure to liabilities from back pay and equal pay claims and the authority will seek to identify the possible range of liability at similarly structured authorities though this is limited especially at present. Possible application for a capitalisation direction can be made for meeting backdated one off costs when there is any information available to support a claim, but the success of this is likely to be limited under the regulations.
Savings	There is a planned programme of service reviews and restructures which will deliver savings over the medium term planning strategy. Gross employee savings of £9.6m and non-staff savings of £9.5m have been identified for 2012/13. Additional gross savings of £1.1m and £12.5m respectively are budgeted for 2013/14 and 2014/15. There is a reserve set aside to meet redundancy costs and commitments against this are being monitored as restructures progress; the position will be reviewed at year end. The Council has also been successful in its application for a capitalisation direction totalling £2.9m for 11/12 which can be used to fund the statutory element of redundancy costs incurred in year. A risk review has also been undertaken on all 2012/13 savings to identify those with high risks and action plans will be developed for these which will be closely monitored. Further, there are action plans for all procurement savings which are being monitored by the Procurement Steering Group.
Financial Risks inherent in any new funding partnerships, major outsourcing deals or major capital developments	There are a number of major capital projects that have been identified which require careful project management and monitoring during 2012/13 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts and future government funding levels for the council and its public sector partners. These include

	the Town Centre Redevelopment, Borough Towns Initiatives and Building Schools for the Future.
The availability of other funds to deal with major calls on contingencies	General reserves or other funds may have to be used temporarily and restored if revenue contingencies, management and policy action is insufficient to deal with a major issue. The Council has evaluated the risks it faces against available balances as outlined earlier in this appendix and concluded that around £3.7m is available to use in the overall budget strategy at the start of 2012/13; the proposed strategy recommends the use of £1.4m leaving £2.3m. This position will be kept under review.
The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc.	The Council's approach to sustaining its overall sound financial position is covered in a number of sections of this Appendix. The overall projected net indebtedness position at 1 April 2012 is £79.2m; net additional prudential borrowing anticipated in 12/13 is £32.5m; this reduces in future years due to capital receipts being received. The total reliance on capital receipts in the medium term strategy is £110m in line with profiled disposals (additional information is provided in both the Capital Programme and Treasury Management Strategy Reports). The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits and running down investment exposure while new placement rates are low. The assumed council tax collection rate for 2012/13 onwards is high at over 99%, but being achieved already for past years. For each 1% not collected the cost is approximately £0.56m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year. Collection has outperformed projections allowing use of a council tax surplus as part of next year's strategy. Cumulative collection rates to date for recent years are 2008/09 99.41% 2009/10 99.38% 2010/11 98.89% 2011/12* 63.58%

	Recovery for all years is projected to be well over 99% finally. *to-date
The authority's track record in budget and financial management	The Council continues to demonstrate strong financial management with outturn being within +/- 1% of the net budget set: • 2006/07 –underspent by £0.479m (0.47% of budget) • 2007/08 – underspent by £0.300m (0.27% of budget) • 2008/09 - underspent by £0.366m (0.31% of budget) • 2009/10 – underspent by £0.332m (0.27% of budget) • 2010/11 – underspent by £0.083m (0.07% of budget) This demonstrates continued strong financial management, despite considerable pressure on service budgets, notably children's social services.
Virement and Contingencies	Virement is an important feature of budgetary control. It provides flexibility to adapt expenditure patterns to meet changing needs and objectives, consistent with Council policy. No Head of Service or Service Delivery Manger should plan to overspend. All expenditure should be consistent with approved service priorities and the overall approved budget.
The adequacy of the authority's insurance arrangements to cover major unforeseen risks	The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self insure". The Council use the services of an external insurance advisor to provide additional expertise in managing insurance arrangements. The insurance section work closely with the Council's Risk Officer to identify insurance related risk areas and recommend ways of mitigating future risk.

These assumptions are reviewed on an annual basis.

Reserves & Balances Policy

Introduction

Guidance on local authority reserves and balances is available from the Chartered Institute of Public Finance & Accountancy (CIPFA). This represents good financial management and underpins the framework followed by Telford and Wrekin Council in this policy.

Types of Reserves and Balances

As part of the Service & Financial Planning process, the Council will consider the establishment and maintenance of reserves and balances.

Reserves and balances can be held for a number of purposes. Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flows; a contingency for the impact of unexpected events or emergencies and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the considerations taken into account when setting the medium term financial plan.

When establishing reserves, the Council will ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom.

Some of the most commonly established earmarked reserves are:

- Sums set aside for major schemes, such as capital developments
- Insurance reserves – to provide for an element of self-insurance
- Service Balances – to permit year end under spends to be carried forward for future commitments
- School Balances – unspent balances of budgets delegated to individual schools

Level of Reserves and Balances

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future year's revenue budgets. CIPFA guidance does not set a statutory minimum level so it is up to the Council itself, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be. Telford & Wrekin Council adopts a risk based approach to determine the appropriate level of reserves and balances to sustain and that which can be released to support the medium term financial plans.

Reserves and balances are only maintained in accordance with the risk assessment undertaken and are used in a planned way. Therefore the opportunity cost of maintaining the determined levels is kept to a minimum while interest is earned on the retained amount.

Process

Each reserve and balance will have a clear purpose showing how and when it can be used together with a process for review to ensure continuing relevance and adequacy.

An annual review of reserves and balances will be undertaken as part of the budget process each year and a schedule presenting the estimated opening balances for the forthcoming year, planned additions to/withdrawals from and the estimated closing balances will be presented in the budget report. The schedule will also show the purpose of each reserve and a comment on the appropriateness of the value held.

The key financial risks will also be identified and an assessment of estimated exposure and possible mitigation will be made. This will link to the Council's key strategic risk register. The conclusion of this risk evaluation process will determine the resources available over the medium term to support the Council's budget.

This process will be repeated each year to ensure the ongoing adequacy of the Council's reserves and balances.

Responsibilities and Reporting Mechanism

The Chief Financial Officer has a duty to local tax payers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and usage of reserves will be formally approved by Council, as part of the budget strategy, informed by the Chief Financial Officer's judgement and expertise.

The budget report to Council will include a statement showing the estimated opening balances for the year ahead (including general fund and earmarked funds), any projected additions to/withdrawals and an estimated end of year balance. This will be accompanied by a statement from the Chief Financial Officer on the adequacy of the general reserves and provisions for the forthcoming year and the authority's medium term financial strategy. A statement reporting on the annual review of reserves and balances will also be made to Council at the same time.

TELFORD & WREKIN COUNCIL

BUDGET & FINANCE SCRUTINY COMMITTEE

FEEDBACK ON THE SERVICE & FINANCIAL PLANNING STRATEGY 2012/13 TO 2014/15 (BUDGET PROPOSALS)

The Budget & Finance Scrutiny Committee is a politically balanced Committee of eight elected members and one co-opted member of the public. The Committee has responsibility for scrutiny of the Council's budget strategy. Scrutiny Assembly members were invited to attend the budget scrutiny meetings, and a number of non-Committee members took part in meetings.

The Committee issued an invitation to opposition group leaders to present any alternative budget proposals to them, although were informed that alternative proposals would not be submitted.

The Cabinet approved the proposed service and financial planning strategy 2012/13 – 2014/15 for consultation with the public on 22nd December 2011. The strategy set out detailed proposals in respect of specific savings for 2012/13, investments, use of balances and reserves and options for consultation on Council Tax. It also set out the activities for engagement and consultation with residents on the strategy.

The Cabinet's final proposals are due to be discussed at Cabinet on 23rd February with the Council Tax for 2012/13 being set at Council on 1st March. As part of its consideration of the proposals, the Committee met with:-

- Cabinet Member: Resources & Service Delivery
- Head of Finance
- Head of Environmental Services
- Head of Family & Community Services
- Head of Safeguarding
- Social Care Specialist

Written answers to a range of questions on further areas were also provided in order to clarify some of the proposals or provide supporting information.

Members reviewed the consultation process and attended the open budget consultation meeting on 17th January to look at how this worked.

The Committee would like to extend thanks to Members and officers that assisted them during their consideration of the proposals.

The Committee clearly recognised the challenge of setting the budget in the face of the size of the cuts to the Council's grant settlement. With over 200 specific savings proposals for 2012/13, it was not possible to carry out a comprehensive review of each proposal, and the Committee focused on a number of elements selected by the members. Members recognised that efforts had been made to make savings through efficiencies and to minimise the impact on services wherever possible.

Based on the information received, the members have a number of comments they would like the Cabinet to consider prior to finalising their proposals:

1. The Committee acknowledged the effort that had gone into engaging members of the public in the budget consultation process.

2. The Committee recognised the difficult position facing the Council in making a decision on Council Tax and were mindful of the impact an increase would have on households affected by the recession.

3. Members were concerned about the risk of depending on realising £100m of capital receipts for the investment programme in the current market, and the additional pressure that the cost of any extra borrowing would put on the revenue budget. Members recommend that capital receipts continue to be very closely monitored, and the Committee will continue to monitor this as part of its on-going work.

4. The Committee was mindful that the target of around £2.18m savings from procurement is ambitious and that the savings must continue to be very closely monitored. The Committee will continue to monitor this as part of its on-going work.

5. Members were reassured to hear that that the savings proposals in children and family services that were looked at in more detail (Youth Initiatives, Teen Pregnancy Services, Domestic Violence provision) would be made mainly from efficiency savings and that it was not anticipated that there would be a significant impact on services.

6. If the closure of the CRC in Newport goes ahead, members recommended that a Tetra Pak recycling bank, currently located at the CRC site, should remain in Newport.

7. If CRC facilities are reduced, members of the public must be made aware of which sites are open on Tuesdays, Wednesdays and Thursdays so they do not waste time visiting a CRC which is closed.

8. Members remained sceptical that marketing strategies such as social media aimed at changing the behaviour of households who do not recycle would produce the projected level of savings, and felt that improved recycling rates could only be achieved in conjunction with a review of containers and collection cycles.

9. The Committee was concerned about the consistent overspend on children in care placements and recommended that fresh ideas are sought from outside the authority to find alternative delivery models to look after children better but for less money, recognising that the children must come

first. Members agreed with the early intervention approach, but were concerned whether this would generate the necessary savings in the short term (during 2012/13), and that costs should continue to be closely monitored. The Committee will continue to monitor costs.

10. The Committee emphasised the need to follow due process for consulting on changes to adult social care services – to ensure changes are communicated to service users, that the impact of changes can be mitigated as far as possible and to minimise the risk of challenge/judicial review.

11. Members recognised the work involved in the negotiations with the PCT about the impact on the adult care budget of the withdrawal of CHC funding, and welcome the positive approach of the PCT.

12. Given the significance of the Gorge to the local economy the Committee were hopeful that ongoing negotiations with the government about funding for stability work would produce a positive outcome.

13. The Committee commended the work of the Street Pastors and welcomed the Council's further investment in the project for 2012/13 and hoped that funding would be sustained in future years

Members further agreed further scrutiny work arising from scrutiny of the proposals subject to agreement by the relevant scrutiny committee members:

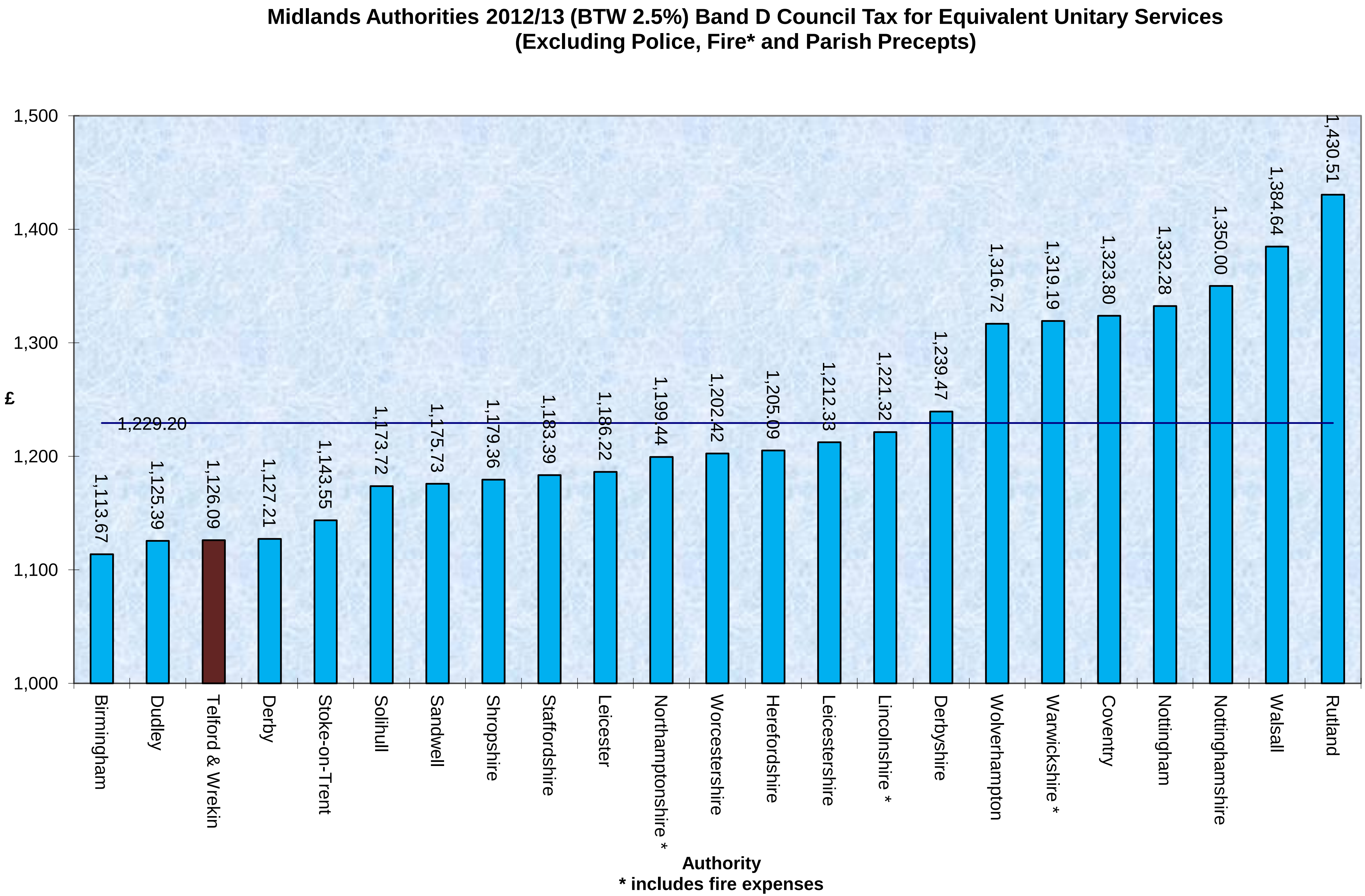
- The Budget & Finance Budget Scrutiny Committee would continue to monitor savings on procurement, costs of children in care placements and capital receipts.

- The Budget & Finance Scrutiny Committee would review Supporting People costs from a value for money perspective at a future meeting.

- The Adult Social Care Scrutiny Committee would review proposals relating to changes to the Meals on Wheels service.

- The Children & Young People Scrutiny Committee would review Jigsaw provision as part of the wider review of SEN provision, and the options for the Jigsaw houses.

Report prepared by Stephanie Jones, Scrutiny Group Specialist, Tel. 01952 383114.


Midlands Authorities 2012/13 (BTW 2.5%) Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)
£
1,500
1,400
1,300
1,200
1,100
1,000
1,229.20
Birmingham 1,113.67
Dudley 1,125.39
Telford & Wrekin 1,126.09
Derby 1,127.21
Stoke-on-Trent 1,143.55
Solihull 1,173.72
Sandwell 1,175.73
Shropshire 1,179.36
Staffordshire 1,183.39
Leicester 1,186.22
Northamptonshire * 1,199.44
Worcestershire 1,202.42
Herefordshire 1,205.09
Leicestershire 1,212.33
Lincolnshire * 1,221.32
Derbyshire 1,239.47
Wolverhampton 1,316.72
Warwickshire * 1,319.19
Coventry 1,323.80
Nottingham 1,332.28
Nottinghamshire 1,350.00
Walsall 1,384.64
Rutland 1,430.51
Authority
* includes fire expenses

Budget Consultation 2012

Final budget consultation results

Co-operative Council Delivery Team

a co-operative council

Telford & Wrekin COUNCIL

Overview – Budget consultation

Budget consultation opened on 23 December and closed on 31 January.

Upon close of the consultation period we have consulted with and received feed back from approximately 2840 people.

- Survey responses – 1618
- Council Tax cut out from 'Your Voice' – 779
- Comments, suggestions and ideas – 62
- Forums, groups and event - 381

Overview – Budget survey

These are findings from the Budget survey. All results are based on unweighted data.

Total of 1618 survey responses – 1058 web, 560 paper

571 of these responses are from Community Panel members.

Low responses from:
•Under 35s
•Deprived areas

Key demographic differences focus on statistically significant differences.

Budget survey 2012

Guiding principles - Overall

	%
Find better ways to run services and avoid wasting money	59%
Deliver the right services based on the needs of our local people	50%
Act responsibly within a severely restricted budget; balancing decisions to use Council money with the need to protect essential services	40%
Be open and transparent in how resources are spent across the Borough, but spend money on issues and areas where needs are greatest	37%
Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting them from cuts	26%
Involve residents as widely as possible in our budget decisions and new ways of delivering services	25%
Sell some of the Council's land and property to reduce borrowing, cut running costs, and – where there is a strong business case – to fund priority facilities and schemes	23%
Look for external investment e.g. Government grants, to address priorities	18%
Reduce reliance on borrowing to reduce debt repayment costs	17%
Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation	8%

Budget survey 2012

Guiding principles – Demographic differences

Respondents from 20% most deprived areas were more in favour of 'Deliver the right services based on the needs of our local people' than those from less deprived areas.

BME respondents were more in favour than White British respondents of the options 'Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting them from cuts', 'Look for external investment e.g. Government grants to address priorities', 'Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation' and 'Reduce reliance on borrowing to reduce debt repayment costs'.

Carers were more in favour of ' Involve residents as widely as possible in our budget decisions and new ways of delivering services' than those without caring responsibilities.

Those wit a LTLI were more in favour than those without of 'Set aside additional money to deal with any unforseen circumstances caused by the current economic situation

Female respondents were more in favour than male respondents of 'Act responsibly within a severely restricted budget balancing decisions to use Council money with the need to protect services'.

Suggestions for additional guiding principles

There were a total of 373 comments on additional guiding principles. The top themes are shown in the table below

Reduce staff /reduce pensions/ wages / recruitment costs /move staff to departments where needed / ensure vfm from staff / reduce consultation costs	37	10%
Base spending on needs of the community / cuts to areas who are able to cope	30	8%
Trim 'luxuries' provide only basic frontline/statutory services / less internal services / don't spend what you haven't got	25	7%
Listen to the views of public / communicate honestly with residents	22	6%
Less waste and duplication bureaucracy/ ensure jobs are done well / to time / only when needed	20	5%
Reduce councillors / expenses	20	5%
Increased monitoring of value for money / ensure tendering is best vfm	11	3%
Reduce council tax / rates / do not increase council tax	9	2%
Less political bias / work as one / less politics, work for residents	9	2%

Plans for major services

	Agree	Disagree	Net
Children and family services proposals	76%	7%	69%
Adult services proposals	87%	3%	83%
Environmental services proposals	87%	5%	82%

Female respondents were more likely than their male counterparts to agree with plans for children and family services (81% to 75%)

White British respondents were more likely to agree with proposals for environmental services than BME respondents (89% to 80%)

Comments on Children and Family Services

There were a total of 306 comments received about the proposed savings for children and family services, the top themes are shown below.

Early intervention can save money / better outcomes for child /prevention better than cure	73	24%
Too much support people need to stand on their own feet /subsidies not handouts / ensure not better of than working families	30	10%
Do not understand what the results of this statement will be /need more info / cannot see how this saves money	20	7%
Children should go where is best for them outside the Borough or not	19	6%
Parents to take more responsibility / parenting classes	15	5%
People need to help themselves through support groups etc / need to contribute so they appreciate the help	11	4%
Services for young people are essential for the future of the Borough / need to support these most vulnerable	10	3%
Children should be fostered in their local area / fostering outside the Borough is expensive	10	3%
Good theory, not sure in practice	9	3%

Comments on Adult Services

There were a total of 272 comments received on the savings proposals for Adult Services. The top themes are shown below

Independence / empowerment / encouragement is important	39	14%
Different for different people should not be imposed / some people cannot care for themselves	32	12%
Depends on budget impact / cant see how this is a saving	15	6%
Too vague need more examples / need more information / need cost benefit info	11	4%
Proper support at correct time / support workers available always	8	3%
Do not withdraw human interaction of carers / reablement leads to isolation	8	3%
Care for elderly in own homes	7	3%
Ensure benefits are not abused (false claimants)	7	3%
Family unit should support (children take care of parents) and not expect society to do so	7	3%
Supporting people to help themselves is inexpensive compared to care	7	3%

Comments on Environmental Services

There were a total of 370 comments received on the savings proposals for Environmental Services. The top themes are shown below.

Do not cut recycling services (centres) / recycling should be a high priority / support recycling	91	25%
Council does a good job of waste management / recycling / environmental maintenance currently	20	5%
Better education / publicity to prevent litter, improve recycling etc	17	5%
Recycling is too complicated / too many different containers / need better containers / storage issues	17	5%
Encourage residents to upkeep local area / reduce red tape to allow residents to look after area	16	4%
Volunteering opportunities / utilise unemployed / community payback	10	3%
Maintain current collections	10	3%
Clamp down on fly tipping	10	3%

Investments

	Agree	Disagree	Net
We are proposing a new capital programme which includes up to £6.15m of new capital improvements to Brookside	40%	27%	13%
Adult services proposals	87%	5%	82%

Respondents in 20% most deprived areas were more likely to agree with the Brookside proposal than those from 20% least deprived.

BME respondents were more positive about the Brookside proposals than their White British counterparts.

Those from Lakeside CLC (containing Brookside ward) were more likely to agree with the Brookside proposals than those from any other area.

Respondents with a long term limiting illness (LTLI) were more likely to agree with the proposals for Adult Social Care than respondents without an LTLI.

Comments on Brookside Investments

There were a total of 480 comments on the proposals for investment in Brookside. The top themes are shown below.

What about other estates / areas / too much money for one area	90	19%
Not a resident of the area / do not know the area	63	13%
Area is in desperate need of improvement	41	9%
Not a priority at the moment	33	7%
No point as improvements will not be looked after / will residents appreciate and look after the improvements	32	7%
Residents should do the work themselves / residents should have larger involvements volunteer groups etc	31	6%
Improve what there is at lower cost	25	5%
Need to reduce crime / increased police presence	25	5%
Should encourage commercial organisations to make this investment	23	5%
Money would be better spent elsewhere (other services/ projects/jobs)	21	4%

Comments on Adult Social Care Investment

There were a total of 243 comments on the proposed Adult Social Care investments. The top themes are shown below.

Should have all the support they can / these people need help / should not be forgotten	38	16%
Telford has an aging population / people are living longer	15	6%
Need to ensure only funding genuine need / recipients contribute where able	14	6%
Need to increase funding	14	6%
More money should be spent on front line not managers / not enough front line staff	12	5%
Need more information on service / budget impacts	12	5%
Family should take more responsibility / encourage families to help	10	4%
Keep people in their own homes as long as possible	9	4%
Care needs to be high standard	9	4%

Cuts: most supported

	agree	disagree	net
Q8c. Introduce a Street Lighting Efficiency Programme	84%	11%	73%
Q8o. Increase independent travel	78%	9%	69%
Q8n. Remove concessions on golf for all groups	73%	11%	62%
Q8l. To introduce a flat rate £1 charge for swimming for all concessionary groups	76%	13%	62%
Q8m. Standardise concessionary gym membership to £21.50pcm	66%	10%	56%
Q8s. Increase the price of school meals	70%	18%	52%
Q8q. Reduce the number of statements of education need (SEN) and out of county placements.	63%	16%	48%
Q8e. Introduce a £50 annual pavement licensing scheme	63%	23%	41%
Q8f. Raise charges for bulk collections from £15 to £18 for up to six items	64%	23%	41%
Q8r. Charges to be applied for some short breaks for children with disabilities	59%	21%	38%

Cuts – least supported

	agree	disagree	net
Q8a. Reducing the number of Community Recycling Centre sites from four to three, closing the Newport CRC and reducing the opening of the other sites to five days a week	61%	31%	30%
Q8j. Further reduction in the library book fund from £234,240 to £209,240 per annum	56%	26%	31%
Q8b. Reducing the frequency of litter picking across the Borough and road sweeping	48%	39%	9%
Q8k. The removal of automatic concessionary status for new over 60's accessing leisure	45%	39%	5%
Q8i. Revise charges for Resident Permit Scheme and Season Tickets in Ironbridge	33%	38%	-5%
Q8p. Increasing charges from £8 to £12 per hour for low level support to vulnerable adults, who do not meet the eligibility threshold for community care support	36%	43%	-7%
Q8d. Reviewing the number of routes gritted in ice and snow from next winter	37%	50%	-13%
Q8g. Increase parking changes annually by 10% in Council owned car parks in Telford Town Centre	29%	59%	-30%
Q8h. Increase parking charges annually by 20% in Council owned car parks in Ironbridge	24%	62%	-38%

Cuts - Demographics

Environmental Services

Respondents from Newport CLC were more likely to disagree with plans to reduce the number of CRCs, deprivation also affected opinion on this question with those from the most deprived areas much more likely to agree with the proposal compared to those from least deprived areas. Men were more likely to disagree with this than woman and those under 16 were more likely to support the proposal than those aged 65+.

Men and White British respondents were more likely to disagree with reducing the frequency of litter picking than there female and BME counterparts.

Those with a limiting long term illness and those with a caring responsibility were more likely to oppose a Street Light Efficiency Programme than those without, BME respondents were also more likely to disagree with this proposal than White British respondents. Those from the least deprived areas were more likely to agree with this proposal than those from the most deprived areas.

Female respondents were more likely to disagree with reviewing gritting routes than men. White British respondents were more likely to oppose this saving than BME respondents.

Those with a LTLI, carers, BME respondents and those from the most deprived areas were more likely to disagree with raising charges for bulk collections.

Cuts – Demographics cont

Parking

BME respondents were more likely to agree to an increase in parking charges for Council car parks at Telford Town centre.

White British respondents were more likely to disagree with increased parking charges in Ironbridge.

White British respondents and those from South (MA and ADA) CLCs were more likely to disagree with revised charges for the Resident Permit Scheme and Season Tickets in Ironbridge.

Leisure

Carers and those from most deprived areas were more likely to disagree with the removal of automatic concessionary status for new over 60s accessing leisure.

BME respondents were more likely to agree with standardising concessionary gym memberships than White British respondents. Carers were more likely to disagree with this than those without a caring responsibility.

Men, those aged 45 and over and those from the least deprived areas were more likely to support removal of concessions on golf for all groups.

Cuts – Demographics cont

Social Services

Women, those with an LTLI, carers and BME respondents were more likely to disagree with the proposal to increase independent travel.

Women, those with a LTLI and those caring for someone were more likely to disagree with increasing charges for low level support.

Female respondents and carers were more likely to disagree with reducing the number of statements of education need (SEN) and out of county placements. Those aged 16-64 were more likely to disagree with this proposal than those aged 65+.

Carers and those from the most deprived areas were more likely to disagree with the proposal to apply charges for some short breaks for children with disabilities.

Women, those with a LTLI, carers, BME respondents and those from the most deprived areas of the Borough were more likely to disagree with the proposal to increase the price of school meals.

Council Tax

Budget survey (number of respondents to this question 1487)	
Option 1 – Take the one-off Government grant of £1.4m and freeze Council Tax for 2012/13 only. This will mean in 2013/14 Council Tax will either need to rise by around 82p per week (5%) for the average home or we will have to make further front-line service cuts	36%
Option 2 – Decline the one-off grant and increase Council Tax levels in 2012/13 by 41p per week (2.5%) for the average home. This will help us avoid additional service cuts or a higher tax rise in 2013/14.	41%
Option 3 – Decline the one-off grant and increase Council Tax in 2012/13 by 58p per week (3.5%) and then either remove some of the proposed service cuts or reduce any Council Tax rise in 2013/14.	23%

Men were more likely than women to support Option 1.

Your Voice

An additional 779 responses to the Council Tax question have been received via the cut out in 'Your Voice'.

Option 1 – 40%
Option 2 – 30%
Option 3 – 30%

Budget Consultation Event

An additional 21 responses to the Council Tax question were given at the consultation event

Option 1 – 19%
Option 2 – 10%
Option 3 – 71%

Overall responses (total number of responses 2287)

Option 1: 37% Option 2: 37% Option 3: 26%

Further Comments on the budget challenge

There were 317 further comments on the budget challenge. The top themes are shown below

Do not increase council tax / reduce council tax / cannot afford council tax increase / stop parish precepts increase	42	13%
Take council tax grant / should not turn down extra government funding / benefits to council as same as council tax increase but without cost to residents	41	13%
Increase council tax / small increase acceptable for visible results / small increase every year	31	10%
Re-band houses for council tax	24	8%
Reduce staff bill / ensure good performance from staff / less managers	20	6%
Situation could get better next year / inflation may not be so high next year / may be additional grants	18	6%
Need to be more efficient not grow budget annually / spend less money	15	5%
Biased survey leading questions / positively worded / too many questions asked in one / not enough information provided in questions / contradicting questions	14	4%
Find further savings within the organisation / reduce costs / cut service	14	4%
Services to share buildings e.g libraries and schools	13	4%

Priorities - Overview

	Agree	Disagree	Net
A growing local economy to create jobs	93%	2%	91%
Clean and well maintained neighbourhoods	91%	3%	88%
Residents feeling safe and proud of where they live	86%	4%	82%
Vulnerable children and adults are protected	84%	2%	82%
Improved lives for all	83%	5%	77%
Telford and Wrekin – A co-operative Council	75%	7%	68%
Housing choices to meet the needs of all	71%	14%	57%

Priorities - Demographics

Men and those from the least deprived areas were more likely to disagree with the priority 'Improved lives for all'

Female respondents were more likely to agree with the priority 'vulnerable children and adults are protected'.

Those with a LTLI, carers and those from the most deprived areas were more likely to agree with the priority 'Housing chances to meet the needs of all'

Men were more likely than women to disagree with 'Telford & Wrekin – A Co-operative Council'. Those who were caring for someone were more likely to agree with 'Telford & Wrekin – A Co-operative Council'.

Comments – A growing local economy to create jobs

There were a total of 214 comments around the priority 'a growing local economy to create jobs. The top themes are shown below.

Make young people feel more valued so they contribute more / address attitude of young people	29	14%
More apprenticeships / promote the value to businesses / apprenticeships for those with disabilities	20	9%
More jobs / reduce unemployment / in rural areas as well	19	9%
More support for those over 24 - education / job / should not be at the expense of older workers opportunities	18	8%
Generate jobs to deliver income that stays in the Borough	17	8%
Need to improve prospects of younger generation / Other options than work for young people / volunteer schemes / council incentive schemes	16	7%
Promote tourism / locations	13	6%
Apprentices must be valued not just seen as cheap labour / need to ensure there are jobs for them afterwards / employers have a responsibility to support them	13	6%
Need better education / training / skills that employees need	8	4%
I don't think this is achievable / not within councils ability	8	4%

Budget survey 2012

Comments – Improved lives for all

There were a total of 205 comments on the proposed priority 'Improved lives for all'. The top themes are shown below.

Do not build new schools use what is there/ nothing wrong with current schools / do schools need to be rebuilt to improve results / rebuilding will not improve results	33	16%
Broad statement / statement not clear too much involved	16	8%
Should invest in teaching staff	16	8%
Newport missed out in building school for future	13	6%
Need culture change / tackle underlying problems	12	6%
Education is vital to the future / children need a good start in life	11	5%
Responsibility should sit with families	6	3%

Budget survey 2012

Comments – Vulnerable children and adults are protected

There were a total of 133 comments on the proposed priority 'Vulnerable children and adults are protected. The top themes are shown below.

Statement too vague / mixed messages / statement not question	12	9%
Not always best to keep families together /can be better for children to be removed from problem families and given a new start	11	8%
More family planning advice	6	5%
How will you do this	6	5%
CYP need to be happy and safe / essential aim	5	4%
Families to take more responsibility	5	4%
Speed up fostering/adoption make process easier	5	4%
Too many children placed in care / need to support children in own families	4	3%
Encourage people to support themselves less state dependence	4	3%
Don't think this is deliverable with current cuts	4	3%
Support families to build relationships / maintain family home	4	3%
Need high quality staff / need enough staff / need to ensure staff are well paid	4	3%

Comments – Clean and well maintained neighbourhoods and streets

There were a total of 255 comments on the proposed priority 'Clean and well maintained neighbourhoods and streets'. The top themes are shown below.

Recycling should be high priority should not be cut	29	11%
How will this happen with proposed cuts / statement contrary to cuts	29	11%
Roads and footways are priority	20	8%
Clean streets are important for residents, investors and tourism / people take care of clean areas more	18	7%
Fines for littering / more enforcement	16	6%
More education to prevent litter encourage recycling etc	13	5%
Closure of CRC will result in fly tipping / reduce recycling rate	12	5%
Vague question / not enough information / do not understand / too many questions / not a question	11	4%
Turn off street lights (on during day, more 12-6am) / replace with high efficiency lights	11	4%
Support local communities to take pride in neighbourhood / community litter picks	10	4%

Comments – Residents feeling safe and proud of where they live

There were a total of 189 comments on the proposed priority 'Residents feeling safe and proud of where they live'. The top themes are shown below

The streets are not safe / I feel unsafe / ASB is high / I am afraid to report things / people are not reporting crime	13	7%
Harsher penalties for law breakers / ASB perpetrators	13	7%
More police presence / police act quicker	10	5%
How will partnership plan work / how will the aim be delivered	9	5%
Volunteering can not be depended on / government takes advantage of volunteering / do not replace paid jobs with volunteers	8	4%
Need action not words / these are aims and ideals not plans	7	4%
Generic statements designed for response	6	3%
Families guilty of antisocial behaviour should lose entitlement to support	6	3%
This is an issue for the police not the council/ volunteers	5	3%

Comments – Housing choices to meet the needs of all

There were 347 comments on the proposed priority 'Housing choices to meet the needs of all'. The top themes are shown below.

Lots of empty houses already / do not need more houses	43	12%
Use brownfield sites first / only build on brownfield / retain green space	41	12%
Mixed housing prevents communities developing / do not want mixed communities / owner occupiers do not want to live by affordable properties	37	11%
Need lower rents / more affordable housing / more social housing / more rental properties	35	10%
Too much overcrowding on small plots / too much building / need more space gardens around houses / allotments and open spaces/well designed - not boxes	23	7%
Need services / facilities to meet increased demand / local (walking distance) facilities / doctors / public transport	23	7%
There are no jobs / are there sufficient jobs to justify this	14	4%
Better regulation of private rent	13	4%
What is affordable	11	3%
Tension between those who work hard and save to purchase a property and those who are given a house and the opportunity to buy it at reduced rates	9	3%
Need to ensure people look after their homes	9	3%

Comments – Telford and Wrekin – A Co-operative Council

There were a total of 271 comments on the priority 'Telford and Wrekin – a Co-operative Council'. The main themes are shown below.

Need more information / do not understand what this means	24	9%
Good idea, need action / less talk more action / how will you actually do this/ hope this works in practice	20	7%
Provided this does not increase costs / will this increase costs / what cost to the tax payer	12	4%
Just a name, does not change service / resource for rebranding would be better spent on services	11	4%
I cannot see this working / I await for evidence of success	10	4%
Political statement, effort will be wasted if we see a change of administration	10	4%
encourage community participation /more information on how public can help as volunteers	8	3%
The council has always done this / should do this anyway regardless of names	8	3%
Really good idea / would make the borough a better place	8	3%
Should not rely on volunteers to provide services the council does not want to / we are paying council to deliver these services	8	3%

Forums – Deaf Club

Key messages:

• Pleased to hear 46 Million is going to Adult Social Care. Really positive, endorse it

• Great to have proper consultations, thanks

• 6 million on school improvement is plenty

• Under Equality Act 2010 it is illegal to have long term effects upon a person's health

• We need to be more aware that suing and lawsuits might be in the way

Accessing Services

• There is a high risk that deaf people are mis-diagnosed with mental health problems

• I am still looking for support with my deafness

• People are not understanding where to go – need to communicate better

Forums – Deaf Club cont

Housing Issues

- Process is incredibly frustrating. The stipulations / restrictions are being made by those it has been outsourced to. For example stating that properties are only suitable for one child families
- People are getting very overcrowded in properties today
- It would be beneficial if there was a camera in doorways of flats and houses
- I'm living in flats – we are allowed no pets – I wanted a hearing dog

Culture and leisure

- Club members are not using libraries or going swimming. This is because there is a communication issue, people wouldn't know where to start trying to use these services

Forums – Senior Citizens Forum

Council Tax questions

- Option 3 – 3.5% are you at liberty to rise to this level?
- Newport – David Cameron keen on new houses etc. Why is the local authority forcing 100s houses + supermarket in Newport
- Will our points on the budget be taken into account or is it a foregone conclusion?
- Brookside – it is always in a state why put money into it – a load of areas are in a state. People who live in Brookside don't look after it
- Why did we allow regeneration in Wellington to go ahead without checking electrics first – now take longer to do it properly
- 1.4m in balance – is this a contingency fund. What is the total contingency fund for next financial year?
- Town and Parish Councils which carry over substantial amounts of money – is this part of partnership deals
- 70% of work is out to the private sector. Do the cuts take into account contractors. What will that mean?

Forums – Senior Citizens Forum cont

Comments / Questions

- Why is the government cutting the council budget?
- What allowance is there in the budget for the membership of being a co-operative council?
- Why do we need a co-operative council (only for labour council so far?!)
- Not voted for co-operative council having difficulty understanding what is a co-operative council
- What percentage of work is outsourced?
- 200 jobs being cut in what areas?
- What is the difference between safeguarding and care and support)for both adults and children)?
- Council buildings (Civic) sold to Asda, what is the situation at the moment?
- Where is the school/education budget in the pie chart? Any opportunities to make school savings?
- What money is set aside for redundancy payments?

Forums – Young People's Forum

- I think that the Council should switch every other light off Telford and Wrekin
- Increasing the cost of bulk collections could increase the rate of fly tipping
- Lots of Ironbridge residents use the car parks to park their cars every day, increasing the car parking charges will affect them badly
- Increasing car parking charges in Ironbridge might put people off
- Cut library staff rather than book stock money, books are the reason that people use the library if you cut the stock people might not use the library
- Children need access to books and library books are a good way of encouraging children to read
- Don't understand why out of county placements and children with SEN are mentioned in the same budget statement, there doesn't seem to be any connection between them.

Forums – Rural Forum

Investment

- Investment in Brookside is it primarily council money? There is lots of money going on several areas, what are you doing to check efficiency
- Comparison Councils Milton Keynes and Peterborough do not inspire me.. I see them as not running so well
- I agree with the new way of working with children – it will reduce the costs. You will be successful in this
- Preventative working will keep people at home, the way will work but it is difficult to see – it could be 10 years before you see these savings
- Can you dip into reserves
- What about efficiency – can you look more at areas where you haven't been gold starred?
- Lots of things we don't like (Environmental services)

Forums – Rural Forum cont

Parish Councils

- Every Parish Council is in a difficult position with budgets. Tendency to transfer responsibilities out might be a nightmare to manage
- I hope that in retrospect Parish Councils are not held responsible for having raised the load
- It concerned me that you say Parish Councils are not carrying weight
- Do you envisage a standard approach?
- I believe we should amalgamate with smaller Parishes – to get jobs done

Recycling

- Do you use every opportunity to tell public that they are letting down when they don't recycle?
- While we are in such dire financial straits we will never have a better opportunity to drum in the importance of recycling
- The message (to public) should be the cost per kilo of dumping
- Say to public exactly where glass goes / cardboard goes etc
- Recycling – up to Parish Councils to promote 'duty' and work in partnership

Forums – Rural Forum cont

Volunteers

• I think you should seriously look at Health and Safety because you cannot get volunteers
• You can shop and arrange for insurance – sometimes insurance has been got twice (Council has its insurance and contractors have theirs)
• What about using organisations, scouts etc, to pick up litter?
• Rotary? Lions?
• I thought criminals picked up litter
• There will be practical problems with getting groups to pick up litter (e.g. Health and Safety) but I think the principle is sound
• We want positive people that will help!
• Do a risk assessment and do what you can!

Budget survey 2012

Forums – Rural Forum cont

CRCs

• This is a 'double whammy' for Newport – it is an older community which is quite set aside – people have to travel to other sites
• CRC is a very valuable commodity or Newport
• Are you going to invest in an alternative site in Newport
• Could s106 monies help another site take root
• How much will any resulting fly tipping cost?
• Fly tipping has been constant where I live since the changes
• What do I have to do to keep it open?
• What about having just two days?
• There is a new building tax coming in, could these monies be used to keep it open?
• Newport is increasingly being developed – there will be increasing tonnage for CRCs – have you monitored the green impact
• Getting rubbish from people's homes is most important.. In the past this issue has nearly bought the country to its knees

Budget survey 2012

Forums – Rural Forum cont

CRCs cont

- You haven't talked about relocation of the site, just the problems / restrictions of the current site
- Young families have said the most important thing to them is garden waste and recyclables
- Cant the developers come in on this? S106 monies – can they be earmarked?
- You (the Council) are in danger of being seen for bribery if you keep CRC and developments go ahead.

Council Tax

- Accepting grant gives time to make more cuts
- Does the Council have a preferred option?
- Option 2 is good for the Council – not for population
- Why are we spending £4 million on an ice rink when we are broke?
- There should be good savings in Local Authorities through Academies
- I am very concerned re the situation re ASC – there is an increase in older people and people living longer – we need an increase in spending. Consider increase in council tax to save vulnerable people.

Forums – Rural Forum cont

General comments

- (Council Tax question) put some base figures showing subsequent increases
- I found tonight very interesting
- I feel able to make more informed choice based on what I have heard tonight
- Would like feedback
- You are consulting with a small group here, it is so important that you do consult with people who do understand it.

Forums – Parent and Carers Forum

- Early intervention (in Children's Services) must remain a priority.
- Please confirm that funds will be protected for vulnerable children, and those with statements of educational need are not reduced for those that need it.
- Non-statement children, but those with additional needs should be fully supported throughout education and the transition into employment.
- Transition issues are important.
- Can we have a passport system in schools which will give children the right support.
- My long term goal for my son is to be guided with the right support from myself as a parent and services, to get him into employment.
- Can we be more efficient and make cuts to environmental services. Encourage people to get involved and help out with litter picks etc. e.g. scout groups
- Can we get in touch with people who do community services to help clear up.

Forums – Parent and Carers Forum cont

- Does the Council still get the money from the government for people who have housing benefit and council tax benefits?
- For those claiming benefits how does that impact on society? I have seen families split up because it is more cost effective for people to live apart as they will get more benefits. People go into private rentals and look well off. More people are trying to con the benefit system – what can we do about that?
- How will we make academies accountable for non-statemented children but with additional needs. What about in two years time when money is tighter what support will be there for our children? What will happen long-term when we are trying to reduce impact now?

Forums – Business Board

General comments

• It was felt that the Board needs to link with Shropshire but the focus should also be within the Black Country area

• Public budget consultation very light on issues to do with business

• The board has had previous involvement in procurement and is happy to be more involved

• The board agreed that the opportunity must be taken to input into this process.

Budget Consultation Event

Priorities

• Great to be able to have a say, good presentation with clear options. Good Luck!

• Quality of life – rural areas are low priority. No support to any of the village halls. Have to go out of the Borough to do the things we want to. Feel like Telford has lost out to Shrewsbury in recent years.

• Priorities are helpful – but what are we going to do to achieve them?

• Re saving – if someone want/needs a service they should be prepared to pay for it. The same applies to Council Tax

• Haven't made clear what the minimum/statutory amounts are that we have to spend on certain services.

Leisure

• By how much are the court fee's going to be increased from 1 April in Oakengates and Stirchley leisure centre (short tennis)

Budget Consultation Event cont

Adult Social Care

• Ref: the presentation – where were all the elderly/children/vulnerable adults before this "hard" budget?
• No mention of dementia – growing problem
• The quality of some domiciliary care services is not good enough. Largely unregulated – too risky (low aspiration/allusion with inadequate level of care)

Children and family services

• School meals too expensive
• Do we educate children and young people in nutritional value and food preparation
• Also teach RE cost wakeup
• Ref: the presentation where were all the children/elderly vulnerable adults before this council were elected?
• Payroll giving to fund needs of handicapped should be co-ordinated by T&W
• Will the changes in SEN mean that children will not get the services they need?
• Are you going to cut respite services for seriously disabled children?
• What does the £20m spent on safeguarding pay for
• Some parents see a statement of SEN as a status symbol

Budget survey 2012

Budget Consultation Event cont

Council Tax

• With Option 1 I would hope it gives time for effective and efficient options for next year
• Why is there a 3.5% limit why not 5%
• If Option 3 predominates this evening, it may just be because of the type of attendees here tonight
• We must protect the vulnerable who can least help themselves
• Additional local tax on us well off folks!

Environmental services
• To cut costs – look at procurement practice / more competitive
• Road investment
• Support Aug litter picking

Open Comment Wall
• No cuts should be made
• It wasn't clear enough (or organised) how to vote using the boxes and the slips
• Look at: procurement effective working practice to save money no more whining!

Budget survey 2012

Budget Consultation Event cont

Tonight's session was good because..

- Tonight was well presented with good information / well explained
- It is important to consult
- Don't agree it was clearly expressed
- Loved the tools to get feedback
- Information
- Relaxed
- Easy to chat/ask questions + challenge
- Good idea to be able to comment through boxes. Meant event he quiet ones could have a say well done!
- Good idea to let people express views
- Polite people
- Easy to talk to people
- A lot of thought has gone into each department's presentation + proposals
- It gave everyone the opportunity to ask questions
- Enjoyed it learned more

Tonight's session wasn't good because..

- It was good but not enough explanation of the 3 options + the impact for council tax
- No question/ answer session immediately after presentation
- Each service area should have given a short presentation
- No getting straight to the point about questions asked
- Difficult to get to grip with issues in melee around each stall
- No real information on staff reductions
- We need feedback from result of tonight
- Difficult to hear from the back (but good screens)
- No real answers to any questions politically motivated
- No real answers to questions!

Appendix 12(a) – Equality Assessment

Here is a list of the savings proposals considered relevant to equalities for 2012-13, details of each proposal and actions.

Full - a full impact assessment has taken place.
Short - a short or initial impact assessment has taken place
TBC - proposals that require further development prior to the commencement of an impact assessment.
NR - after investigation assessment no longer required.

Service Area	Proposal Number	Description of saving	Equality Impact Assessment
Care and Support	1	Low level preventative service	Short
Care and Support	3	Review charging policy – disability related care costs	Full
Care and Support	152	Supporting people	TBC
Care and Support	153	Development of home care package	NR
Care and Support	182	Review transport mobility arrangements	NR
Care and Support	183	Apply cap to costs of care packages	TBC
Care and Support	185	Personalised model	TBC
Environmental	24	Bulk collections	Full
Environmental	72	Increased recycling	Full
Environmental	159	Clinical waste	Full
Environmental	205	Rationalise the CRC	Full
Highways and transport	78	Replacement of some lit signs and bollards	NR
Highways and transport	200	Street Lighting – Energy Efficiency Programme	Full
Customer, Leisure and Libraries	9	Concessions Policy	Full
Customer, Leisure and Libraries	14	10% increase in court costs	NR

Care and Support

Low Level Preventative Services

The Low Level Preventative Service (LLPS) is an in house service provided by Building Services, commissioned by Adult Social Care.

Approx 250 people use the service which provides basic house hold tasks such as cleaning washing gardening etc. It does not meet the care needs of individuals.

The service was established in a response to the need for adult social services to demonstrate that they were meeting a number of performance indicators such as help to live at home and preventative services. These indicators have now been abolished.

The service is only available to adults, primarily older people, who are below the Fair Access to Care Criteria, and are not in receipt of any other care package. The service is charged at £8 per hour full cost recovery would be approximately £15 per hour. There is currently a waiting list for this service.

It is proposed that the charges for this service be increased to £12 per hour.

Comparative local services, such as cleaning services and gardening, are competitively priced and likely to cost service users less although there should be recognition that the service does deliver some of the administrative aspects an individual would have to manage themselves.

A full impact assessment is not necessary as this change is not deemed relevant to equality - no differential impacts to service users will occur.

The outcome of the consultation process was a net 7% of respondents not in favour of the increased charge. It is therefore imperative that in notifying service users of the changes that a full explanation of the context and situation is provided and we are very clear about what the council is trying to achieve.

Based on consultation responses, the proposal has been adjusted from introducing an increase to £12 per hour, 1st April 2012 to a phased approach.

This will mean an increase in the hourly rate to £10 per hour, 1st April 2012, and an increase to £12 per hour, 1st April 2013. It will reduce some of the potential savings but will provide a larger transition period for individuals to manage the change, reducing the impact upon them. We will continue to provide a list of approved traders to assist this process.

We will also inform service users of these changes by letter, including those on the waiting list, providing 1 months notice.

Prepared by Richard Smith, Service Delivery Manager - Access and Enablement

Charging Policy – for Non Residential Care
Equality Impact Assessment

Section 1 – Overview

The objective is to detail the policy & process for establishing service users contributions to the cost of care. This enables clear understanding of how charges are established and fair and consistent assessments of contributions to the cost of care for service users.

Paying for your care (extract from our information leaflet on the internet)

Financial assessment

Everyone who has had a Community Care Assessment has a Financial Assessment. This looks at your individual financial situation and makes sure you are getting all the benefits and allowances that you are entitled to. It is your own financial circumstances that are assessed and not your partner's. During this financial assessment we have to follow the Department of Health statutory guidance. This is different depending on whether you receive care in your own home or whether you are living in a residential home. The statutory guidance called the Fairer Charging guidance details the charges for care you receive in your own home.

Care in your own home

The Financial Assessment will look at the savings you have in the bank or building society and shares. We will also look at any property you own other than the home you live in. We will not take into account the value of the home in which you live when working out how much you have to pay.

The assessment will make sure that the person receiving a service retains a basic living cost allowance plus a buffer of 25%. This is a level of protected income that will not be considered in the financial assessment.

We are looking to make some changes to the charging policy to increase the income we receive towards the cost of care so that we can continue to provide essential services to vulnerable people.

The proposed changes are:-

1. To remove the maximum charge

There is a maximum charge for care in the home for people who are eligible for help from social services.

This is currently £128.90. We are proposing to remove this limit so that people can pay what they can afford towards the cost of their care, even when the care costs more than £128.90.

2. To review how we allow for Disability Related Expenditure (DRE) as part of the financial assessment.

This is to make sure that we are not making allowances unnecessarily and that needs are considered fairly and consistently. The allowances are given for things like additional laundry costs and prescriptions charges related to a person's disability. We anticipate that many people affected by any changes will still be allowed some or all of the allowances for DRE currently claimed.

This policy affects;

- Customers/service-users and their Carers
- Partners and independent providers
- Employees
- Other (please specify) - Advocacy Groups

The last full review of the policy was 2009 and figures have been updated annually in accordance with benefit changes.

Consultation for the proposed changes is proposed to start in April 2012 with implementation from October 2012.

3. Your contact details:

Name of person completing impact assessment and their post	Frances Carron - Service Delivery Manager - Personalisation, Support & Service Provision
Telephone	01952 381203
Date started	7.11.2011
Other officers/Stakeholders involved	Richard Taylor- Murison - Equalities Officer

Section 2 – Impact Assessment

1. Will this policy have a significant impact on any of the following groups of people with regard to the General Equality Duty?

   Positive and negative impacts should be assessed with regard to the General Equality Duty;

   - eliminate unlawful discrimination, harassment and victimisation
   - advance equality of opportunity
   - foster good relations between different groups

The impacts have been assessed based on the original proposal and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X			X
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X	X		

There are a number of expected impacts;

Negative Impacts

People with ill health or people with a disability
The proposed changes may increase charges for some people. It is currently not clear the numbers of people who will be impacted.

No Impact
The ways that services are planned and delivered is personalised to take account of individual needs, beliefs, race, religion and sexual orientation. The existing financial assessments and charges and proposed changes will not affect this.

There has been significant consultation carried out prior to the last revision of the policy. We met with service users, Carers, advocacy groups and Partnership Boards sharing our proposals widely for comment though these avenues. These consultations led to positive changes for service users and carers including the consideration of income for couples and the exclusion of Carers allowance when considering available income.

On-going feedback is received in the form of complaints and compliments about the financial assessment and charging processes.

Our consultation for these proposed changes will use similar consultation methods and will be advised through the CARM process. CARM is based on a research governance frame work which ensures that all consultation/research activity meets that required Department of Health standards. We will feedback both via our established consultation channels and through our internet site.

Section 3 – Mitigating Actions

Negative Impacts

People with ill health or people with a disability
The proposed changes may increase charges for some people. The consultation will help us to introduce these changes as fairly as possible and in a way that will enable people to continue to get the help they need. By increasing charges we will be able to continue to help a larger number of people to continue to live safely and independently at home.

Previous actions around couples and Carers Allowance (originally highlighted through our complaints procedure) have enabled us to eliminate discrimination and advance equality of opportunity in those areas.

The review of DREs offers us further opportunity to ensure equality of opportunity by considering individual circumstances in a more robust framework.

Section 4 – Review and Monitoring

Consultation will begin once the revised proposals have been fully developed. We aim to start consultation in April 2012, with proposed implementation of the new policy from October 2012

The impact of the changes will be monitored through the use of

- Customer feedback
- Regular reviews including business information
- Complaints / compliments.

Specific measurements will include;

- numbers of people affected
- savings achieved,
- complaints and compliments

A light touch review of the charging policy is also conducted on an annual basis to take account of fiscal adjustments such as inflation, inclusion of new statutory guidance, compliments and complaints.

The introduction of these changes will require a great deal of planning and consultation. Further actions include;

- The consultation plan and proposals will be scoped and drafted by April 2012.
- Consultation is currently expected to end in October 2012.
- A 6 month transition period is being built into to allow any adjustments to the policy which is expected to come into effect April 2013.

Supporting People services to achieve ongoing efficiency savings

Supporting People services provide housing related support with the aim of establishing or maintaining independence. The range of contracts in place provide a variety of short and long term services including sheltered housing, accommodation based services and floating support across all client groups.

We currently have approximately 40 contracts with a variety of service providers to cover the range of services detailed above. In order to achieve efficiency savings we are looking to review services holistically to explore the option of joining up services and using different delivery models to enable services to be delivered based on need (some services are currently linked to accommodation and the specifications of contracts do not support delivery based on need).

The aim of the review is to deliver services more efficiently and to use models that can help to deliver services based on need.

On this basis a positive impact is anticipated in terms of advancing equality of opportunity as services should be more accessible and suitable to all groups. However the review may also indicate that services are reduced in capacity in which could have limited negative impact.

Unfortunately as the review has not yet begun there is a lack of evidence to demonstrate any impact.

Once the options for future services have been decided a more thorough impact assessment against the chosen options for future delivery can be undertaken.

Options are expected to be developed by the end of January 2012. A more detailed and expansive impact assessment will take place at this time.

Action

January 2012 - The Equalities Officer will assist the lead officer to deliver a full impact assessment.

Prepared by Richard Smith, Service Delivery Manager - Access and Enablement

Development of Home Care Package

This is aimed primarily at providers i.e. developing standard contract terms and conditions linked to service specification, quality standards etc, as our current documentation is not wholly fit for purpose.

Part of this work will involve developing a standards unit cost framework which will generate savings as we currently have to a range of unit costs and prices charged by the sector.

The main link will be Shropshire Partners in Care (SPIC) who is the representative body for the sector and the providers themselves. There will be little impact on service users.

Prepared by Christine Harrison, Service Delivery Manager - Access and Enablement

Review transport mobility arrangements

This is about informing people in receipt of mobility allowance that this would be considered within assessments to be meeting transport needs unless certain other conditions applied.

Changes have already introduced and are based upon previous consultation work by the Putting People First Project. For this reason a full impact assessment will not be conducted.

For the small number of existing service users it is felt appropriate to notify them individually via reviews on a case management basis.

Confirmed by Paul Taylor, Social Care Specialist

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Care Costs Cap

Presently we operate no cap to the cost of care that an individual can receive. It is proposed that we implement a proposal to cap the costs of total care for an individual. This will develop a consistent and fair approach for those being cared for in residential and home settings.

Specifically, it will impact on all people in receipt of a care package which costs more than the agreed residential/nursing home rate. There will be variations across client groups because the cost of care is balanced against the complexity of an individual's care needs.

It is difficult to determine an exact figure at this time and significant financial modelling work will be required to calibrate the caps at appropriate levels so as not to introduce differential impacts.

Other considerations will be the legal background of such a change and transitional arrangements.

Due to the complexity of this proposal it is recommended that an impact assessment be completed for consultation when the legal position has been established and the scoping of the thresholds is beginning.

Action

The Equalities Officer will assist the lead officer to deliver a full impact assessment.

Prepared by Christine Harrison, Service Delivery Manager - Access and Enablement

Putting People First – Personalisation

The Putting People First Project (PPF) was a government funded project to transform how Adult Social Care services are delivered and re-focussed on the individual, sometimes known as personalisation. The project ran over a 3 year period and ended in July 2011.

It developed a range of suggested solutions and actions to change how we deal with people and their care needs. The project included a large consultation programme that identified specific issues people would like to be resolved.

Whilst the current financial savings proposals have indicated amounts that intend to be saved, how the proposals will express these savings has not been confirmed. It is proposed that as individual projects and actions develop to meet these savings targets appropriate impact assessment will take place for each. This will ensure that micro inequalities do not exist and that they continue to be sensitively developed around individual needs.

Action

The Equalities Officer will assist the Head of Care and Support / lead officer to deliver full impact assessments on a case by case basis for each implementation project.

Prepared by Richard Smith, Service Delivery Manager - Access and Enablement

Bulk Waste Collection Policy – Equality Impact Assessment

Section 1 – Overview

Bulky waste collection is a non-statutory service. The system is operated on a diary and instruction system for TWS Ltd to collect listed items and dispose of them. Bulky items are classed as items which are too big to fit in to a standard 240 litre wheelie bin or over 25kg in weight and are not fixture and fittings. No collections from commercial premises are undertaken.

The aim of the service is to collect up to 6 large items from the household for a charge. Alternatively, residents can take their unwanted bulky goods to the Community Recycling Centres (CRC's) across the Borough or to use one of the charities such as Chairs & Spares who offer a free collection service for resalable goods. There are also alternative outlets e.g. websites such Freecycle and Freegle, which encourage householders to give items to others without charge.

Should residents wish to use the Council's collection service there will be a charge levied for the service.

The proposal is to increase the charge for the Bulk Waste Collection Service from £15 to £18 for removal of up to 6 items. This aims to generate circa £6,000.

This change in pricing policy is associated with the need to make financial savings of approximately £40 million over a three year period. If an increase in income is not generated from this service then other areas of the authority will need to find equal savings. This will have a knock on-effect to their service delivery and potentially a greater negative impact on vulnerable people.

There are currently no national guidelines or requirements for the bulk collection service provided by the Council, however as most other Local Authorities offer a similar service benchmarking can take place to establish best practice and to identify any pitfalls.

The policy change affects

- Customers/service-users

Likely to commence on 1st April 2012

1. Your contact details:

Name of person completing impact assessment and their post	Anne Tuckley, **Waste Policy & Research Officer**
Telephone	01952 384727

Date started	
Other officers/Stakeholders involved	Waste & Enforcement Manager and Team Customer Call centre Telford & Wrekin Services (TWS)

Section 2 – Impact Assessment

Positive and negative impacts should be assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

The impacts have been assessed based on the original proposal and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

	Potential Impact after Section 3 actions			**Potential Impact before section 3 actions**		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X			X

No positive impact has been identified.

It is worth remembering that this change in pricing policy is associated with the need to make financial savings of approximately £40,000,000. The knock on-effect of not doing so will have a potentially greater negative impact on vulnerable people.

Negative impacts

People of different ages – older people
People with ill health or people with a disability
People affected by deprivation

The impact can be summarised as potentially having an effect on groups of people who may have a fixed low income.

Consultation

Charging for bulks has been reviewed previously both when the charge was introduced several years ago and last year as part of the budget process when the charge for all policy was introduced

Although there is sufficient management information to identify impacts, the proposal was highlighted in the Budget Consultation 2012 Investment & Savings Proposals.

Feedback suggests the proposed service change was one of the most supported in that 41% net people agreed with the proposal.

A communications campaign to inform potential users of the service is proposed. This will detail the increase in costs and clearly explain why. It will also promote voluntary sector organisations, such as Freecycle and Chairs and Spares, to ensure that service users are aware of free alternatives that may allow them to avoid any cost for removal. This may also improve uptake of the service increasing the income generated.

Section 3 – Mitigating Actions

People of different ages – older people
People with ill health or people with a disability
People affected by deprivation

Consideration was given to ability to pay last year but it was felt that a charge for all policy was fairest at the time.

Better promotion of other alternatives e.g. Freecycle should be promoted and the council is currently exploring several options where charitable organisations may collect certain bulky household items free of charge.

General Equality Duty The bulk waste collection service seeks to advance equality of opportunity by providing a service that would not necessarily be available to individuals at a cost that is affordable. Whilst alternatives have been looked at, a price increase is the only way of increasing the income generated the service and avoiding increasing savings targets for other services.

Section 4 – Review and Monitoring

This policy will be implemented from 1st April 2012 Monitoring of the policy will include; • Standard reporting on fly tipping and number of bulk collections will continue to be produced, highlighting any difficulties that may arise from Policy • Number of formal customer complaints. Service will be reviewed in 1 years time.

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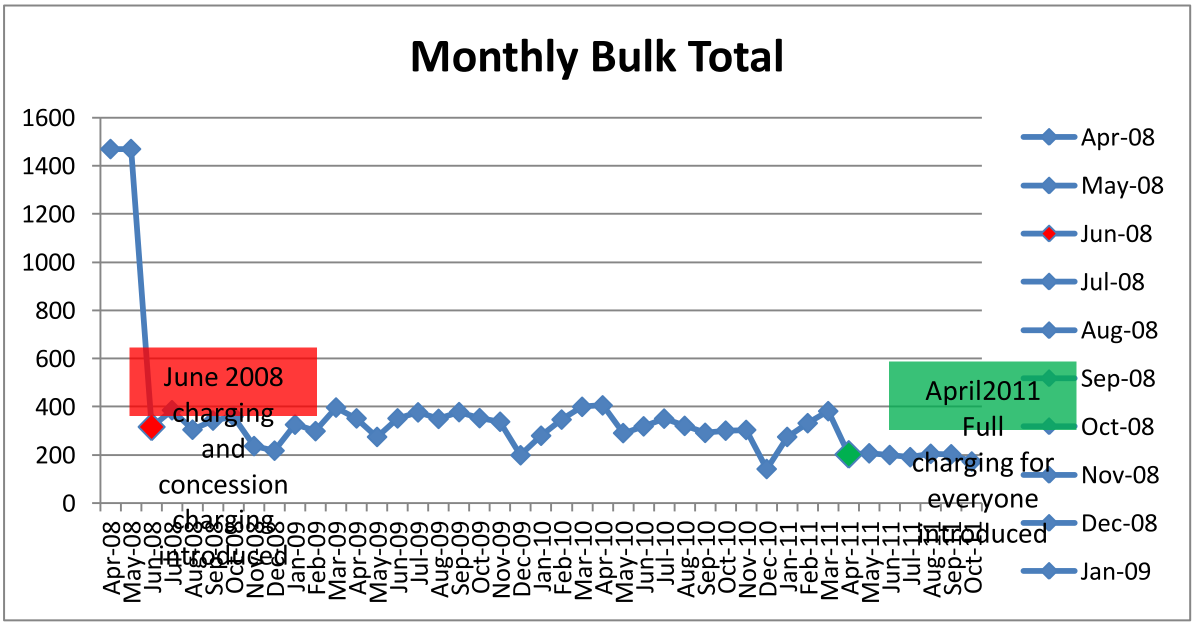

Increasing Levels of Household Recycling - Equality Impact Assessment

Section 1 – Overview

Overview of the service:

- Telford & Wrekin Council provide a household waste collection service that alternates between refuse collections one week and recycling material the next.
- Around 65,000 households receive this service.
- Around 49,000 tonnes of refuse is collected from Borough households and land filled each year. Based upon this figure it is estimated that the Council will be liable to £2.7 million Landfill Tax 2011/12 (excluding additional gate fees).

Objectives of the policy:

- Reduce the waste tonnages that end up in landfill collected from household grey rubbish bins, so as to reduce the landfill tax cost to the Authority.
- Increase the levels of recyclable materials collected from households.
- Promote the environmental benefits of recycling.
- Encourage the increased reuse of finite resources.
- Provide broader education and awareness on the wider benefits of recycling.

The policy affects;

- Customers/service-users – All Borough Householders
- Partners – Housing Trusts. Schools,
- Employees – All those living within the Borough
- Other (please specify) – TWS Contractors

This policy is ongoing until the time when the Councils waste contracts for both rubbish and recycling are renewed. Waste Contract renewal is expected to be sometime around 2014/15

Name of person completing impact assessment and their post	David Ottley Waste and Enforcement
Telephone	01952 382328
Date started	31/10/11
Other officers/Stakeholders involved	Environment and Open Space Waste Teams / TWS Ltd Contractor / Housing Trusts /

Section 2 – Impact Assessment

Positive and negative impacts should be assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

The impacts have been assessed based on the original proposal and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X			X

There are a number of expected impacts detailed below;

Potential Negative impact on ‘People with ill health or people with a disability’ and ‘People of different ages’ in particular older people –

(i) By encouraging more people to recycle and physically separate recycling materials and in particular the compressing (plastics) or shaping (cardboard) recycling materials to best fit into recycling containers, may present difficulties to people with ill health, people with a disability or elderly that previously had not recycled.

(ii) In addition the need for recycling containers to be presented at the edge of their property (curtilage) for collection may be difficult for some with lifting or mobility problems.

We have already conducted a number of information gathering, engagement and consultation activities

Nationally

- DEFRA's figures showed Telford & Wrekin Councils' recycling levels improved compared to the same period last year, recycling 44 per cent of household waste in 2010/11 compared with 41.8 per cent during 2009/10.

Pre-Waste Education pilot development

- Locally a council run ‘door knocking’ survey (2,500 residents across the Borough spoken with) identified that over 30% of Telford and Wrekin residents didn’t recycle at all.

Pre-Pilot launch

- Engagement with Members and Parish Councils.

- Public open sessions, provided local information that has informed the pilot roll-out

We will conduct a number of activities designed to inform the wider community and deliver educational benefits for sustained action. Below are some of the activities that will take place.

Wider engagement - Recycling Roadshow

- Park Lane – Pre activity session above, other ‘open’ session dates to be established. Madeley venue is to be established.
- Schools – 3 Primaries (one outside round but catchment), contacted to establish school daytime visits with children, then school closing time team members engage with parents, Jan/Feb 12.

- Groups /Organisations – Parish Council meeting agenda item, Neighbourhood groups being contacted

- PR – Developing Communications Plan

Main Pilot Programme Activity

- Assessment of recycling, additional bins, etc Waste Team (2 officers) travelling with crews and meeting the public

- Evaluation of data collected to provide engagement programme that will focus resources on working with low recyclers and those with additional bins

- Engagement with residents based upon findings

- Wider engagement throughout period as above

Section 3 – Mitigating Actions

Actions to mitigate previously identified negative impacts include;

(i) Waste Officers to provide guidance information to explain how to manage recycling materials and containers if the public are finding recycling difficult. In addition to this it is important to note that recycling is encouraged but not compulsory.

(ii) An additional ‘pull out’ service is available for those struggling to place their containers at the edge of their property for collection. Our contractors have a ‘pull out’ list of properties that receive this extra service, which means that our contractor’s crews collect from a suitable place on their property agreed by the listed residents.

These actions will advance equality of opportunity and eliminate unlawful discrimination in the delivery of a public service.

Section 4 – Review and Monitoring

The pilot project has commenced in November 2011

By monitoring and evaluating this pilot we hope to roll out the programme across the borough.

These are some of the measures and actions we will be taking to evaluate the initial scheme and inform the on-going programme.

Monitoring, Evaluation and Borough Roll-Out Programme Development

Performance based upon:

- Customer Feedback
- Refuse tonnages (working with TWS to establish robust methods)
- Pilot Programme costs
- Assess increased use of containers, volume of recyclables
- Number of recycling container requests
- Number of Customers agreeing to release additional bins for recycling containers

Clinical Waste collections – Change to delivery Equality Impact Assessment

Section 1 – Overview

A weekly clinical waste collection is presently provided to approx 324 households in the borough, collecting waste which is either Hazardous, collected in a yellow bag, or, Offensive (e.g. incontinence pads) which is collected in a tiger bag (yellow with black stripe). The service is intended to collect wastes from residents treating themselves at home and where wastes are non infectious and does not include drugs, body parts, sharps. The service can be requested by residents or health practitioners, through the Customer Call Centre. Residents using the service place their bags out on their day of collection, usually by their door or gate. The service is seen as 'sensitive' because of the nature of the Waste.

Changes in regulations in 2009 allowed collections to change from an all yellow bag collection service, to the present collection system. This meant offensive waste (Tiger bag) could be disposed of as landfill. This change allowed the authority to make 'savings' as landfill is currently cheaper than incineration, which is the disposal method that the smaller amount of yellow bag waste still has to follow.

The collection service is provided by TWS (Telford & Wrekin Services) as a separate service and vehicle to the residual waste collection service.

Subject to further discussion with TWS, it is proposed that the clinical waste element of the contract could be terminated and a significantly reduced 'specialist' collection service for the small amount of properties be tendered with a specialist contractor for the yellow bag waste.

Only Tiger bag type waste (and it no longer has to be in tiger bags) - can be collected via the residual waste collection service except in cases where high volumes of waste are produced where the specialist service may still be used.

To comply correctly with Duty of Care it is proposed that the PCT inform the authority as to the classification of waste that will be produced as only their staff are qualified to assess any hazardous nature of the wastes.

Customers who use tiger bags can in future wrap their waste and place in their domestic residual bin. An additional small residual bin will be provided where necessary, without charge.

Customers who use yellow bags will be provided with an improved service where they are provided with a 'hard' container, which should make their handling of their waste easier.

This policy affects;

- Customers/service-users
- Partners – Telford & Wrekin Services (TWS) PCT
- Employees – Customer Call Centre
- Shropshire Council (Indirectly)

It is intended that this change in policy start in April 2012 and will be reviewed April 2013.

Name of person completing impact assessment and their post	Waste Policy & Research Officer
Telephone	01952 384727
Date started	27th October 2011
Other officers/Stakeholders involved	Strategic waste manager Waste & Enforcement Manager TWS Refuse Manager Customer Call centre Representative PCT Representative Equalities Officer

Section 2 – Impact Assessment

Will this policy have a significant impact on any of the following groups of people with regard to the General Equality Duty?

Positive and negative impacts should be assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

The impacts have been assessed based on the original proposal and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X			X

There are a number of impacts expected from this change of service.

Each customer who uses this service is currently expected to present their waste in bags outside their door or beside their gate. The presentation of these coloured bags is highly visible, and can be seen as making the householder seem ‘vulnerable’ and not protecting the privacy or dignity of the service user. A more discreet service is being offered, using ‘hard’ bins that can be kept inside, or in an outside position that is more appropriate for the service user.

If capacity is an issue i.e. more waste in a grey bin than it can hold, then an additional second bin can be considered (at no additional cost to the householder).

We have already consulted with Shropshire NHS, a number of other Local Authorities, our contractor and the driver of the present service.

A system needs to be agreed under which the NHS fulfil their obligations, other Authorities are also looking at ways of changing this service presently and provide it in a variety of ways.

We will have to work more closely with the Shropshire NHS, and improve the communication with our customers

We would expect to continue to review this service at a minimum of two year intervals.

In order to gauge the impact of the change of service it is proposed that an initial review be held with regards to satisfaction at the end of the initial 6 months. A short satisfaction survey will be sent to all using the service.

Section 3 – Mitigating Actions

No negative impacts have been identified.

In order to ensure the change of service goes smoothly and has a positive impact we will communicate directly with each household who are presently served by the service, explaining the reasons for changes, and providing information on what residents should do and expect in future.

This policy represent a positive step forward in the elimination of potential discrimination, harassment and victimisation by reducing the likelihood of someone being identified as having a long term limiting illness or disability.

This is a positive improvement of an individual's right to privacy, article 8 of the Human Rights Act (HRA) and right to freedom from discrimination, article 14 of HRA.
*

Section 4 – Review and Monitoring

Information is held presently on the number of customers using service, the tonnages collected as tiger bags and yellow bag, and disposal costs. Information will be gathered giving comparison on activity, and presented to senior management.

It is intended that the changes to this service come into effect from April 2012

The timetable below is based on reaching agreement with Shropshire NHS trust that they can provide suitable information for the Council to fulfil its Duty of Care requirements.

- December 2011 new contract tendering documents prepared.
- December 2012 Advise TWS of termination of clinical element of contract
- January 2012 service tendered.
- January 2012 discussion with Customer call centre team re changes to internal communication
- February tenders evaluated
- Feb/ March 2012 service awarded
- March 2012 Members / customer call centre/ other staff advised of changes
- All customers advised of changes March 2012
- Service begins 1.4.2012
- November 2012 - All customers contacted re 6 month satisfaction survey.

Rationalisation of Community Recycling Centres Services (CRCs) - Equality Impact Assessment

Section 1 – Overview

The Council has a duty to provide a facility for residents to deposit household wastes that are not collected by the kerbside collection service. Such a facility has to be provided free of charge. In Telford this service is provided via the four CRCs which handle approximately 26% of the residual waste and recyclables that the council manages each year.

There are four sites, three being managed by TWS (Telford and Wrekin Services) – Ketley, Halesfield and Newport. The fourth is managed by SITA (Granville), which is the only site presently able to take a range of hazardous materials such as asbestos, chemicals and paint.

Halesfield is the most modern site, custom built approx 8 years ago, and Newport is the smallest, with limited space and capacity.

All sites are presently open every day of the year except Christmas Day, Boxing Day and New Years Day. Sites are most used on Friday, Saturday, Sunday and Monday, and collect a wide range of recyclable materials as well as residual waste which goes to landfill.

Access to the sites is available to all residents of the Borough, however trade waste is not allowed. A permit scheme is in operation to prevent people with ‘trade’ type vehicles depositing trade waste, however they can deposit household waste, so long as they hand over a permit.

It is known that residents from neighbouring Boroughs also use the sites, and since broadly this is balanced by Telford residents using sites operated by other authorities this use is not actively discouraged.

The objectives of this proposal are to achieve savings from the CRC service which will support the overall council budget savings target and to promote better use of the kerbside recycling service.

The table below shows the relative throughputs from each site.

Site	Throughput Actual tonnes (residual + recyclable)	Proportion of total CRC throughput as a %
Granville	6347	30.34
Halesfield	6034	28.61
Ketley	5986	28.84
Newport*	2555	12.21

* previous surveys suggest that 13.5% of usage is from people who reside outside the Borough

A number of options were considered and the following is to be consulted on • Close Newport and close the other 3 sites for two weekdays per week

The closure of Newport would have an impact on the residents living closest to that site as their nearest site would be further away. However distance to a site is not the only criteria residents use in their choice of which site to use. Residents will use sites that are most convenient to them in their daily lives, such as closest to where they work, or where they shop. They will also use sites that are a distance away if they favour the layout, access or other facilities e.g. some Authorities have sites which are under cover and it is known that their residents will travel a distance to use them.

Closing the 3 remaining sites or two weekdays would be done so that at least one site would be open each day but residents may have to travel further to an open site but when compared to distances travelled to sites in other Council's areas this is reasonably practical.

It is proposed to close the sites on Tuesday, Wednesday and Thursday which are traditionally the quieter days of the week and therefore all 3 sites will be open on Mondays and Fridays.

This policy affects;

- Local residents within the Borough
- Residents outside the Borough
- Employees of Telford & Wrekin Services (TWS) and SITA

The changes are intended to be implemented from April 2012, with the first review date April 2013.

3 Your contact details:

Name of person completing impact assessment and their post	Anne Tuckley, **Waste Policy & Research Officer**
Telephone	01952 384727
Date started	2011
Other officers/Stakeholders involved	Telford & Wrekin services (TWS) SITA Customer call centre Enforcement & Refuse Team Waste Strategy Team

Section 2 – Impact Assessment

Positive and negative impacts should be assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

The impacts have been assessed based on the original proposal and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X			X

Negative impacts

It is possible that some customers who are retired or disabled may be using the sites at times which are quieter but it is these times that are most likely to be affected. However the only evidence of this pattern is anecdotal.

Users from the geographical area of Newport could be negatively impacted on with the permanent closure. Though ongoing site provision across the Borough fairs well against comparable council's

There is no information to suggest a positive or negative impact on;
- People of different gender
- People who are transgender
- Different racial groups
- People with different religion or beliefs
- People of different sexual orientation
- Women who are pregnant or breast-feeding
- People that are married or in a civil partnership
- People affected by deprivation

A number of sources of information have been used to develop these options they include;

- Officer Waste Steering Board
- Member Policy Forum
- Telford & Wrekin Services(TWS) and SITA
- Previous CRC site user surveys

Ongoing survey work shows that generally Tuesdays, Wednesdays and Thursdays are the quietest days.

Although there is sufficient management information to identify rationale and possible impacts, the proposal was highlighted in the Budget Consultation 2012 Investment & Savings Proposals.

Feedback suggests that 30% net people agreed with the proposal and that respondents from Newport were more likely to disagree.

Section 3 – Mitigating Actions

Current benchmarking demonstrates that Telford & Wrekin provides a service significantly higher than the statutory duty demands and it is expected that many Council's with lower provision than we provide will also be looking at a reduction of service. In turn, any future comparisons will be at a lower level that than the current benchmarking standards

Comparison with other Councils shows that the Telford & Wrekin service is good in terms of the number of sites and their accessibility. Telford & Wrekin currently provides 2.53 sites for every 100,000 population. Within the family group the average provision is 1.35 sites while in Shropshire the provision is 2.1 sites and the English average is 1.45 sites.

There are a good number of sites relative to population and in terms of their proximity for residents in comparison with other local authorities would still be provided following a site closure or reduction in hours.

The compact geographic nature of the Borough means, the distance between sites is relatively short, therefore re-routing to another site does not add significantly to journey times. At the moment all but a very few households in the Borough are within 0 and 15 minutes travel time of a CRC site. Travel time is a more accurate assessment that distance as it accounts for the actual journey rather than a simplistic 'as the crow flies' assessment.

All changes to times or days of opening will be promoted on the Council website, by signage at the CRCs with press advertisements and through the Senior Citizen Forum.

Staff members on site are willing to assist residents, with discussion with TWS Management, this could be carefully promoted.

This proposal indirectly supports the general equality duty by making savings that would have to be found in other areas. In doing so they would have a potentially greater negative impact on protected groups and individuals.

Feedback gained from the Budget Consultation 2012 Investment & Savings Proposals, with particular emphasis on the range of open comments, will be used to help inform the emerging procurement of waste & recycling services.

Section 4 – Review and Monitoring

This policy will be implemented from1st April 2012. It will be monitored in a number of ways and will include;

- Monthly reports will be produced allowing us to compare previous information with current.
- An annual review to place in line with normal business planning practice.

These will feature;

- Fly-tipping tonnages
- usage of sites
- number of complaints

Replacement of some lit signs and bollards

This relates to lit road signage and traffic bollards only (not pedestrian lighting) and action is limited by legislation. Consequently it has no relevance to equality.

Confirmed by Stuart Freeman, Service Delivery Manager Highways & Transport

Street Lighting –
Energy Efficiency Programme
Equality Impact Assessment

Section 1 – Overview

Telford & Wrekin Council is responsible for the management of over 26,000 street lights in the borough, to light sections of highway and footpaths for road and footpath users. The provision of street lights tends to be focussed on roads in urban areas including for town centres, employments areas and residential areas. The provision of street lighting can improve road safety and reduce crime and the fear of crime.

The key aims of this service are:
- To provide street lighting to help improve road safety on the highway network in the borough
- To provide street lighting to reduce crime and the fear of crime in the borough.
- To ensure that street lights work and are maintained in safe condition
- To ensure that any lighting provided is done so in accordance with relevant legislation and regulations regarding the provision of lighting on the highway
- To ensure that the provision of street lighting is done in such a way that it minimises its impact on the environment in terms of light pollution and carbon dioxide emissions from the energy used to power street lights.

However, due to the budgetary demands on the council, it has been decided to undertake a review of the street lighting service the Council provides.

The Council manages around 26,000 street lights (of which around 23,000 are located on lamp columns), the street lighting service is provided 365 days a year, although lights are on for longer periods during the autumn and winter months. The Council spends around £1m per year on street lighting energy. At present the Council operates a programme where around 2,000 lights are turned off between midnight and 5.30a.m. To date these columns have been selected due to their location on roads away from town centres, employment areas and residential areas and away from road junctions and key pedestrian routes. The lights are controlled remotely by the Council's street lighting management system and provisions are in place that lights included in the part night switch off programme can be switched back on at short notice in response to road safety or crime/ anti-social behaviour issues.

As part of the programme of identifying further savings it is proposed to develop a Street Lighting Energy Efficiency Programme to provide a more energy efficient lighting stock in the borough. The components of this programme would include:
1 – Using more efficient light sources which may allow for a reduction in the total number of lamps required
2 – Using white light sources where possible which may allow for dimming the level of lighting but still providing lighting to levels set out in street lighting guidance

3 – Reviewing the reactive repairs and inspection regime for street lights to see if efficiencies can be made
4 – Possible extension of the part-night switch-off programme (midnight – 5.30) as a last resort if other efficiency measures cannot be identified
5 – Working with communities to identify any local areas where there is a request to turn off a light / lights.

This proposal may affect some protected groups in different ways; the impacts of these proposals on the protected characteristics are difficult to identify at this stage as the detail of the Street Lighting Energy Efficiency Programme have not been finalised. Possible impacts are discussed in more detail in the sections below.

This proposal may increase known inequalities for certain communities, e.g. access to public transport, access to council services and other public services, access to employment and access to local amenities.

The proposal currently delivers on the following aims of the General Equality Duty:

Eliminate discrimination, harassment and victimisation – it continues to provide street lighting at times that streets are used by the majority of road and footpath users. The proposal also takes account of crime and anti-social behaviour information in identifying any energy efficiency measures to ensure that proposals do not inadvertently lead to increases in levels of crime and anti-social behaviour (ASB) where information is available to show there are existing crime and ASB issues. The most significant impact would be from the permanent or part night switching off of street lights; for part-night switching off there would be the provision for lights to be turned back on at short notice if issues arise.

Advance equality of opportunity – by taking account of the location of any measures implemented as part of the programme to ensure that they do not have a negative impact on key facilities that all members of the community are likely to access or in locations where particularly vulnerable members of the community are likely to be using roads and footpaths.

Foster good relations –Through consulting with local communities likely to be affected by proposals to explain how the particular energy efficiency measures will be operated and measures that can be put in place to deal with concerns regarding road and personal safety.

This impact assessment will be looking at the three potential options for changing this service:

1. **Stay the same. No impact.**
2. **Implement the Street Lighting Energy Efficiency Programme** – including more energy efficient forms of street lighting and last resort of switching off columns permanently or part-night
3. **Turn off street lights permanently -** This would have a large impact on the locations where lights would be turned off with significant costs for implementation.

This policy affects;

- Customers/service-users
- Partners

What period does the policy cover?

Policy cover - April 2012 – ongoing Review date within 12 months of implementation – **April 2013**

2. Your contact details:

Name of person completing impact assessment and their post	Stuart Freeman **Service Delivery Manager Highways & Transport**
Other key Officers / Stakeholders	Chris Butler – **Service Delivery Manager – Highways & Engineering** Amanda Roberts – **Team Leader Highways Capital Programmes** Keith Harris - **Group Manager Traffic Management & Transport Planning** Plus two **Street Lighting Technicians and Principal Engineer**
Telephone	01952 384601
Date	18th November 2011

Section 2 – Impact Assessment

Will this policy have a significant impact on any of the following groups of people with regard to the General Equality Duty?

Positive and negative impacts should be assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

The impacts have been assessed based on the original proposals and these are explained further in section 2.

All impacts are reviewed and actions are formulated to reduce or remove the effect if it is negative. We also look at how we can enhance positive impacts. These are shown in Section 3.

Option 1 – Stay the Same	Potential Impact		
	Positive	Negative	None
People of different ages			X
People with ill health or people with a disability			X
People of different gender			X
People who are transgender			X
Different racial groups			X
People with different religion or beliefs			X
People of different sexual orientation			X
Women who are pregnant or breast-feeding			X
People that are married or in a civil partnership			X
People affected by deprivation			X

Option 2 – Introduce Street Lighting Energy Efficiency Programme	**Potential Impact after Section 3 actions**			**Potential Impact before section 3 actions**		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X		X	
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X		X	

Details of potential impacts are shown below.

Age

Option 1 – None – The service continues to provide the current level of lighting across the borough for all road and footpath users regardless of age.

Option 2 – None (Possible Negative) – The Energy Efficiency Programme is intended to deliver savings without any reduction in service. However, if no further efficiencies can be identified savings will be made through extending the part-night switch-off programme which will mean no street lighting in the locations selected between midnight and 5.30a.m. This is likely to have a greater effect on people of working age who work late shifts or irregular working patterns and therefore likely to be travelling between these times.

Disability

Option 1 – None - The level of service for all road and footpath users would remain the same including for disabled users.

Option 2 – None (Possible Negative) – The Energy Efficiency Programme is intended to deliver savings without any reduction in service. However, if no further efficiencies can be identified savings will be made through extending the part-night switch-off programme which will mean no street lighting in the locations selected between midnight and 5.30a.m. This is likely to have a greater effect on people with disabilities, particularly visual and hearing impaired people who are particularly reliant on lighting.

Gender

Option 1 – None - The level of service for all road and footpath users would remain the same for all.

Option 2 – None (Possible Negative) – The Energy Efficiency Programme is intended to deliver savings without any reduction in service. However, if no further efficiencies can be identified savings will be made through extending the part-night switch-off programme which will mean no street lighting in the locations selected between midnight and 5.30a.m. This is likely to have a greater effect on women regarding fear of crime and anti-social behaviour when using roads and footpaths at these times.

Race

Option 1 & 2 – None - There is insufficient information to identify an impact. Consultation and monitoring may identify if streets with communities from particular ethnic backgrounds are affected.

Religion or Belief

Option 1 & 2 – None. There is insufficient information to identify an impact. Consultation and monitoring may identify if streets with communities with particular beliefs or religions are affected.

Deprivation

Option 1 – None – There would be no change from current service levels..

Option 2 – Negative – Areas of deprivation are more likely to be subject to issues relating to crime and anti-social behaviour. In addition areas of deprivation are likely to have greater proportions of the community without access to a car meaning more people having to walk or use public transport to access services and amenities. Part night switch off of street lights in these areas would have a disproportionate effect compared to other areas of the borough, although the times of operation mean that there are unlikely to be significant numbers of residents wishing to use roads and footpaths at the times street lights are proposed to be turned off.

No impact

There is no indication that options 1,2 or 3 would have a differential impact for people who share the protected characteristics of sexual orientation, pregnancy and maternity, marriage and civil partnership or transgender.

The following engagement and consultation has already been carried out;

As part of the Council's budget consultation all parish and town councils have been written to asking for any suggestions for streets in their area where they would like to proactively consider turning lights off.

Further consultation has been done as part of the Council's budget consultation, to identify if there are any areas of the borough where residents positively want to switch-off street lights and regarding support for introducing a Street Lighting Energy Efficiency Programme. No streets or areas have been suggested through consultation where residents or businesses want to proactively switch lights off. There is strong support for introducing a Street Lighting Energy Efficiency Programme, with 73% net support from respondents to consultation.

We plan to carry out further engagement/consultation;

If the levels of savings expected cannot be achieved through energy efficiency measures alone, further consultation will be carried out based around extending part-night switch-off or permanent decommissioning of street lights. This consultation would be targeted to areas affected by any proposals and once a short-list is known any areas would be cross-checked for the following;

1) Any information on crime and anti-social behaviour related to incidents at night/ in the dark

2) Any community facilities for particular groups such as those with disabilities, or venues such as places of worship or community centres which may impact on particular religious groups or minority ethnic groups.

3) Any impact on access to public transport services or walking routes to key employment sites where consultation feedback identifies that the employment areas operate late night working shift patterns.

Section 3 – Mitigating Actions

The Street Lighting Energy Efficiency Programme (SLEEP) will prioritise energy saving measures rather than any reductions in service. It is hoped that savings can be identified through investing in more energy efficient street lamps, the use of collaborative procurement with other authorities to reduce the cost of street lighting equipment and energy, and the introduction of Lean working methods to make the management and repair of street lights more efficient. If sufficient savings can be found from these actions, there will be no loss of street lighting for residents/ businesses in the borough.

If efficiencies alone cannot produce the level of savings required then consideration will need to be given to extending the part-night switch-off of street lights or permanently switching off street-lights. If this option is considered further consultation (outlined in Section 2) will be undertaken.

Section 4 – Review and Monitoring

The energy efficiency programme will be implemented from1st April 2012. It will be monitored in a number of ways and will include;

- Monthly reports will be produced allowing us to compare previous information with current.
- An annual review to place in line with normal business planning practice.

These will feature;

- Energy consumption and inventory details
- Review of Lean working practices and measures such as cost per defect and % repairs right first time
- number of complaints

Leisure Concessions Policy
Community Impact Assessment

Section 1 – Overview

The objective of the policy is promote equality of access to Council managed sports and leisure facilities and activities. Financial cost has been identified as a potential barrier to participation into sports and physical activity opportunities.

Current concessionary status and entitlement is detailed below:

Group	Definition	Number of Cardholders	Entitlement
1	People/families in receipt of Council Tax Benefit, Pension Credit, Leaving Care Allowance, free school meals or Healthy Start Vouchers	2,482 adults 1,710 junior	Free Swimming and off peak skating. Up to 40% discount on other non instructed activities and up to 25% off instructed activities.
2	People in receipt of one or more of the following: Employment and Support Allowance, Severe Disablement Allowance, Disability Living Allowance, Disability Working Allowance, Disabled Persons Tax Credit, Industrial Disablement, Attendance Allowance, Mobility Allowance.	598	Free Swimming and off peak skating. Up to 40% discount on other non instructed activities and up to 25% off instructed activities. Above also applies to an accompanying carer.
3	People in receipt of Carers Allowance.	Included within group 1	Free Swimming and off peak skating. Up to 40% discount on other non instructed activities and up to 25% off instructed activities.
4	60+	2,459	Free Swimming and off peak skating. Up to 40% discount on other non instructed activities and up to 25% off instructed activities.
5	Full time students aged 16 and over	916	Admission at Junior rates.

Concessionary entitlement is currently open to residents only, with the exception of Disabled card holders where residency is not currently a requirement.

A review of Leisure Services review carried out by independent consultants and the subsequent Cabinet report recommended a review of the current Concessions Policy as it was considered to be 'generous' a notional saving of £50k was identified. A proposed saving of £50k arising from a review of the current concessions scheme has therefore been included within the Leisure Services non staff savings proposals as part of the wider 2012/13 Council budget strategy.

Leisure is a discretionary service and as such there is no statutory requirement to provide services or to offer a concessions scheme. A review of the policy has been carried out by the Co-Operative & Communities Scrutiny Committee, (more information is available Insert Scrutiny Report ref) and from the range of options considered the following amendments are proposed:

- **Remove the automatic concessionary status for new over 60s except for those in receipt of Pensions Credit**
- **Introduce a charge of £1 public swimming charge for all concessionary groups (other than Children & Young People)**
- **Standardise and increase concessionary Health & Fitness membership fees to £21.50 per calendar month, currently £16 for Gym Only and £21 for Gym, Swim and Classes.**
- **Remove concessions on Golf for all groups**

As part of the review process a benchmarking enquiry regarding leisure concessions policies was sent out through the Association of Public Excellence (APSE) network to provide comparative information. The resulting information, along with comparisons with neighbouring authorities identified that the level of concessions offered with Telford & Wrekin is significantly higher than in those authorities.

Consideration has been given to revising the current criteria for concessions and the level of concessions offered.

All concessionary groups with the exception of Senior Citizens (60+) and students in full time education currently have some form of means testing in determining their concessionary status for example entitlement to free school meals or Disability Living Allowance.

Given the increasing retirement age, projected growth in the 60 plus population within Telford & Wrekin, the economic climate and the fact that the entitlement is not means tested the current policy of offering automatic concessionary status to the over 60's is considered to be unsustainable. It is also considered to not be as fair as an ability to pay model because not all over 60's are financially disadvantaged, as such it is proposed to be removed.

Older people who are entitled to Pension Credit will still qualify for concessionary status. This will effectively ensure that the means testing criteria currently applied to other concessionary groups will also be applied to over 60's applying to take out a Flex card from April 2012 therefore continuing to meet the objectives of the policy and support the most financially disadvantaged groups.

Removing concessionary status from current Flex card holders aged over the age of 60 was considered, however it was felt that the impact upon that group, many of whom are regular users would be disproportionately high and the potential impact outweighed the projected saving.

The introduction of a £1 charge for public swimming, standardisation and increase in Health & Fitness membership fees still provide a comparatively generous level of concession.

The policy affects customers and service-users

Revisions to the policy would be implemented from April 1st 2012.

Name of person completing impact assessment and their post	**Stuart Davidson Leisure Service Delivery Manager**
Telephone	**01952 382601**
Date	**16 December 2011**

Section 2 – Impact Assessment

This policy will potentially have a significant impact on the following groups of people;

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages			X		X	
People with ill health or people with a disability			X		X	
People of different gender			X			X
People who are transgender			X			X
Different racial groups			X			X
People with different religion or beliefs			X			X
People of different sexual orientation			X			X
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation			X		X	

There are a number of expected impacts;

The Council will retain a 'comparatively' generous (compared to other Local Authorities) leisure Concessions policy. However some groups who had previously benefitted from free or significantly discounted leisure activities will from April 2012 be required to pay or pay more.

The level of these fees is still considered to be low and as such in themselves should not provide a barrier to access.

The areas we feel will have a **negative** impact are:

People of different ages
All Telford & Wrekin residents over 60 who had, prior to the proposed changes, applied for a Flex card would have benefitted from concessionary status regardless of their circumstance. From April 2012 any new over 60 Flex card applicants will be

required to prove entitlement to Pension Credit in order to a benefit from concessionary status.

Existing Flex card holders aged over 60 will continue to be entitled to concessionary status.

Children and young people will largely not be affected by these proposals as the entitlement to free swimming for u16's will continue.

People with ill health or people with a disability

Disabled Flex card holders will still benefit from concessionary status, however, along with other concessionary groups it is anticipated that the introduction of or increase in the level of charges may result in a reduction in usage.

The level of concessions offered still remains comparatively generous, the impact and anticipated drop off in participation (less than 25% of current levels) is relatively low when considered against alternative options (scrutiny report reference).

People affected by deprivation

Financially disadvantaged groups will still benefit from concessionary status, however, along with other concessionary groups it is anticipated that the introduction of or increasing of the level of charges may result in a reduction in usage.

The level of concessions offered still remains comparatively generous, the impact and anticipated drop off in participation (less than 25% of current levels) is relatively low when considered against alternative options (scrutiny report reference).

5. What engagement and consultation have you already carried out?

Please answer the following questions and include any additional information that is relevant;

- **Who have you consulted/engaged with?**

The revisions to the Leisure Concessions Policy were developed through the Co-Operative & Communities Scrutiny Committee.

The revised policy is subject to consultation as part of the wider Council savings proposals and budget strategy and will progress through normal council approval processes as part of the overall savings package.

- **What the consultation/engagement told you?**

All of the proposals consulted upon resulted in a net 'agree' outcome. More people indicated that they agreed with the proposals than disagreed with them. Four of the five proposals (excluding the proposed automatic removal of concession for the over 60's) were among the most supported savings proposals put forward as part of the budget consultation.

- **What you have changed or intend to change as a result of the consultation?**

The removal of concessions for all over 60's, the charging of full or half price admission charges for concessionary groups and the removal of concessions on swimming lessons were not considered to be acceptable and therefore were not presented for further consultation due to the potential impact.

Based upon the findings of the budget consultation above it is not proposed to make any further changes to the proposals.

- **How and when do you intend to feedback?**

The impact of these changes will monitored through community admissions and can be reported back at any given time.

No further consultation or engagement is planned. Although it should be noted an appropriate coordinated information campaign will take place to communicate any changes.

Section 3 – Mitigating Actions

The areas we feel will have a **negative** impact are **People of different ages, People with a disability, People affected by deprivation**.

Mitigation for all three areas:

In addition to the concessions scheme the Council also provides targeted interventions, such as 'Tackle Your Health' and 'Inclusive Leisure' to increase and support physical activity opportunities for low participation groups. Most of these schemes are funded externally either through grant funding or are commissioned by the Primary Care Trust.

The Council will continue to work with partners to identify and provide further sport and physical activity opportunities within the community and Leisure Services, through existing delegated authority we will utilise 'special offers' to incentivise customers in accordance with business need.

The use of special offers and further use of Direct Debit opportunities will ensure that services remain accessible.

No direct positive impact identified.

It should be noted that without making savings within this service towards the overall £40 million requirement it is likely that other areas which have a potentially bigger impact on vulnerable people will be affected.

These actions support the General Equality Duty by advancing equality of opportunity. The service encourages and promotes participation for all groups through its universal offer, the retention of a comparatively generous concession scheme and targeted interventions help support equality of opportunity.

Section 4 – Review and Monitoring

The policy will be implemented from April 2012.

The potential impacts of this policy and changes will be monitored and evaluated by continued analysis of **u**sage of the Leisure Facilities by target groups. This will allow with comparison to previous years to identify any impact.

In particular usage by people with a disability, older people and those affected by deprivation will be considered where appropriate.

If there is significant variation from the proposed low drop off of service users within these groups additional interventions will be considered.

This will be monitored on a quarterly basis.

Roll out of the proposed changes will occur through a co-ordinated information campaign providing reasonable notice at leisure sites and a letter communicating changes will be sent to those directly affected.

Council Tax Non-Payment Court Cost Increase

Currently £45 costs are added to the council tax which is due following the issue of a summons. Once the Liability Order is gained we apply an additional £15.

The table below shows the charge which is levied by TWC, and the average charge from other authorities as per the CIPFA benchmarking statistics:

	TWC charge	Average for Council tax	Average for Non Domestic Rates
Issue of a summons	£45	£61	£82
Issue of a Liability Order	£15	£20	£31
Total	**£60**	**£81**	**£106**

Table: Benchmark illustration of current council tax and non domestic rates non-Payment Court Cost

This table illustrates that even with a £10 increase, the TWC charge will be significantly less than benchmarking averages. Last year we sent approx 6000 summons for Council Tax, and 700 for Non Domestic Rates. An increase by £10 could generate an additional £67k.

The costs for the issue of a summons and liability order are applied automatically by system processes where an account remains unpaid at a certain stage of recovery.

The Council encourages contact from customers if they are having difficulty paying and will take into account their personal and financial circumstances in making arrangements to pay.

In particular we encourage and facilitate applications for benefit where people are on low income, and make special payment arrangements with customers who are experiencing difficulties paying any monies due.

This proposal has no differential impact and mitigations are in place to assist people on low incomes.

Summary of Equality Actions

Ref No	Description of saving	Action
Care and Support		
1	Low level preventative service	• Continue to provide a list of approved traders. • We will inform people of any changes by letter including those on the waiting list providing 1 months notice.
3	Review charging policy	• The consultation plan and proposals will be scoped and drafted by April 2012. • Consultation is currently expected to end in October 2012. • A 6 month transition period is being built in to allow adjustments for those people affected by the change in policy which is expected to come into effect April 2013.
152	Supporting people	• From January 2012 - The Equalities Officer will assist the lead officer to deliver a full impact assessment.
183	Apply cap to costs of care packages	• From January 2012 - The Equalities Officer will assist the lead officer to deliver a full impact assessment.
185	Personalised model - Delivery	• The Equalities Officer will assist the Head of Care and Support / lead officer to deliver full impact assessments on a case by case basis for each implementation project. Scoping January 2012 – ongoing project work, IAs will be grouped under **Personalised Model Delivery**
Environmental		
24	Bulk collections.	• Standard reporting on fly tipping and number of bulk collections will continue to be produced. Review to include complaints.
72	Increased recycling.	Monitoring to include; • Customer feedback • Refuse tonnages (working with TWS to establish robust methods) • Pilot programme costs • Assess increased use of containers, volume of recyclables • Number of recycling container requests

Ref No	Description of saving	Action
		• Number of Customers agreeing to release additional bins for recycling containers
159	Clinical waste.	• A sensitive communication programme should be followed in co-operation with NHS health services.
205	Rationalisation of Community Recycling Centres Services (CRCs)	• All changes to times or days of opening will be promoted on the Council website, by signage at the CRCs with press advertisements and through the Senior Citizen Forum. • Staff members on site are willing to assist residents, with discussion with TWS Management, this could be carefully promoted. • Monthly reports will be produced allowing us to compare previous information with current. • An annual review to place in line with normal business planning practice.
Highways and Transport		
200	Street Lighting – Energy Efficiency Programme	• Service Delivery Manager - Highways & Transport to develop mitigations and monitoring as engagement and consultation progresses. • Full Impact assessment to be completed prior to extension of programme.
Customer, Leisure and Libraries		
9	Concessions Policy.	• Continued monitoring of usage to identify any fall-off. Particular attention to be applied to people with disabilities, older people and those affected by deprivation. • Co-ordinated information campaign providing reasonable notice at leisure sites and a letter communicating changes will be sent to those directly affected.

Appendix 12
Service and financial planning 2012/13 to 2014/15 – Equality impact assessment

Overview

This report clearly identifies how we intend to spend our money and gather income for the whole council on an annual basis. The service and financial planning report aims to show this and provide a clear pathway for future financial management.

The council is facing a challenging time;
- Grant funding and income from central government is reducing
- Many services are in greater demand than previous years due to the country's economic position

The reduction in income means that over a 3 year period we have a projected budget shortfall of approximately £40 million.

The report outlines recommended savings and potential income generating actions including increases to council tax.

Background
The Council's Service & Financial Planning strategy for the period 2011/12-2013/14 was approved by full Council on 3 March 2011.

This strategy was set in the light of the most challenging Government grant settlement ever received by the Council. Whilst the average reduction for Government Departments over the 4 year CSR period is 8.3%, the average reduction for local government over this period is 27%, more than three times as much.

Following the use of one-off resources in 2011/12, the Council has limited remaining one-off resources available and needs to identify ongoing savings in order to achieve a sustainable balanced budget over the medium term.

Savings
This report demonstrates that a great deal of progress has been made in identifying options for making ongoing savings, limiting the impact on front-line services as far as possible.

Although more work needs to be done and more savings options need to be identified, the Council has never before identified such a significant savings package spanning the medium term
The intention of this impact analysis is to look at;
- The council tax question
- Overall cumulative impact of the saving proposals

It is **NOT** to look at the individual savings proposals. Appendix 3A of the 'Service and Financial Planning 2012/13 to 2014/15' considered by Cabinet in December

2011 shows how we have looked at individual savings proposals. Available on the Telford & Wrekin Council website - http://apps.telford.gov.uk/demservice/DisplayDocument.asp?type=pdf&ref=14080

Priorities and Principles
Through consultation with local people a series of key outcomes for the Borough have been produced:

- A growing local economy to create jobs
- Improved ‘life-chances’ for all
- Vulnerable children and adults are protected
- Clean and well maintained neighbourhoods and streets
- Residents feeling safe and proud of where they live
- Housing choices to meet the needs of all

These have helped derive the 10 Guiding principles on which the savings proposals are based;

- Deliver the right services based on the needs of our local people
- Be open and transparent in how resources are spent across the Borough, but spend money on issues and areas where needs are greatest
- Involve residents as widely as possible in our budget decisions and new ways of delivering services
- Find better ways to run services and avoid wasting money
- Reduce reliance on borrowing to reduce debt repayment costs
- Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting them from cuts
- Look for external investment e.g. Government grants, to address priorities
- Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation
- Act responsibly within a severely restricted budget; balancing decisions to use Council money with the need to protect essential services
- Sell some of the Council's land and property to reduce borrowing, cut running costs, and - where there is a strong business case - to fund priority facilities and schemes

A brief table shows the summary elements of the overall financial plan for the next three years,

Projected Budget Gap	**12/13 £m**	**13/14 £m**	**14/15 £m**
Base Budget gap See Appendix 2	21.847	31.635	34.306
Savings proposals including additional income – see Appendix 5 (net)	-8.899	-17.067	-21.151
Savings from staff restructure (net)	-8.158	-8.483	-8.483
Single status provision – cease funding for 12/13 and 13/14, net of costs.	-2.000	-2.400	-0.500
Total Projected Budget Shortfall before use of balances and Council Tax increases	**2.790**	**3.685**	**4.172**
Council tax increase of 2.5% in 2012/13 and similar increases in later years	-1.400	-2.800	-4.200
Restated shortfall before use of general balances	**1.390**	**0.885**	**-0.028**

Table 1 – Projected budget gap 2012/13 – 2014/15

Whilst we have identified some proposals for future savings from 13/14 onwards these are subject to considerable change. We have therefore taken the decision to focus our attention on the year 2012/13 initially.

Impact analysis will be conducted for each year when the service and financial planning report for those years is prepared, in this way we will take the changing financial climate into account and allow for the introduction and removal of savings proposals.

There are a number of reasons for this including;

- Uncertainty over future years central government settlement and financial modelling
- Known gaps in budgets which indicate further detailed proposals are required to meet the targets set; the summary table above illustrates the gaps as they are currently identified.

Restructuring
To fully understand the position of the council we must also remember that a wide scale restructure, re-organisation of management and portfolios structure into more flexible and proactive service delivery units has taken place.

This will develop savings of approximately £9 million in 2012/13.

These structural changes are yet to finish and impacts on service and employees are analysed as appropriate during individual service restructures.

Impact Assessments of restructures have occurred and consultations have been carried out with interested parties, service users, and employees to assess the impact of the changes.

Single Status
Single Status is a pay equalisation exercise that the council is required to complete in order to reduce the gender pay gap and demonstrate that the principle of equal pay for equal work is being applied.

This is a difficult exercise at the best of times but whilst restructuring is occurring with rapidly changing roles and responsibilities this is a very complex task. Other exercises that have taken place in other authorities have shown that, whilst this is intended to have a neutral impact on the overall salary bill, there can sometimes be a significant cost. For a number of years the council has put aside provision and kept it in a reserve to cover this cost. With a firm understanding of the target completion date it has been decided that the reserves are sufficient to cover the potential costs and as such no further contribution to this reserve is to be made.

This does not reduce the amount in reserve and therefore protects the ability to reduce the gender pay gap as does the retention of an ongoing allowance for any additional costs arising from the eventual settlement which is still retained on the budget from 2014/15 onwards albeit at a reduced amount to reflect early action to move away from fixed point grades and the reduction on the workforce by around 20% through the organisational restructure process.

Council Tax
The Council has the power to alter the level of council tax.

The government have offered a one off grant for one year which is the equivalent of a 2.5% increase in council tax, £1.4 million.

In order to be open and transparent and allow residents to actively participate in decision making a number of options have been laid out that explain the possible scenarios that could take place with council tax and consequently the potential impact on a household;

Option 1 -Take the one-off Government grant of £1.4m and freeze Council Tax for 2012/13 only. This will mean in 2013/14 Council Tax will either need to rise by around 82p per week (5%) for the average home or we will have to make further front-line service cuts.

Option 2 - Decline the one-off grant and increase Council Tax levels in 2012/13 by 41p per week (2.5%) for the average home. This will help us avoid additional service cuts or a higher tax rise in 2013/14.

Option 3 - Decline the one-off grant and increase Council Tax in 2012/13 by 58p per week (3.5%) and then either remove some of the proposed service cuts or reduce any Council tax rise in 2013/14.

This policy affects everyone within the borough including residents, visitors and businesses.

Following consultation with the community, the Cabinet will recommend to Council that a 2.5% increase be applied to Council Tax based on consultation responses and equality business case. This recommendation is based on the need to sustain the budget in the medium term and reduce the shock and costs associated with a large council tax rise and therefore protect vulnerable members of society.

The policy changes shown in this report will be implemented between April 2012 and March 2015.

It is a report completed annually with monitoring reports throughout and as stated previously we have only looked in depth at this year because there are expected to be a number of proposals that will be put forward throughout the year. This is an attempt to avoid duplication of effort.

Name of person completing impact assessment and their post	Richard Taylor-Murison, Equalities Officer
Telephone	01952 382104
Date started	22nd December 2011
Other officers/Stakeholders involved	Ken Clarke, Head of Finance; Andy Challenor, Community Engagement and Equalities Manager.

Section 2 – Impact Assessment

Positive and negative impacts are assessed with regard to the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

	Potential Impact after Section 3 actions			Potential Impact before section 3 actions		
	Positive	**Negative**	**None**	**Positive**	**Negative**	**None**
People of different ages	X			X	X	
People with ill health or people with a disability	X			X	X	
People of different gender			X			X
People who are transgender	X			X		
Different racial groups	X			X	X	
People with different religion or beliefs			X			X
People of different sexual orientation	X			X		
Women who are pregnant or breast-feeding			X			X
People that are married or in a civil partnership			X			X
People affected by deprivation	X			X	X	

Further explanation of these impacts is shown below;

Positive
There are positive impacts expected for
- People of different ages – younger and older people
- People with ill health or people with a disability
- People who are transgender
- Different racial groups
- People of different sexual orientation
- People affected by deprivation

People who share these characteristics will benefit from more focussed services responsive to the direct individual needs. Changes in the overall emphasis of services such as Adult Social Care and Children and Family Service to have a greater role with regard to intensive re-ablement and early intervention, respectively, are direct responses to budgetary pressures.

It is more effective and offers a fairer service to residents if we take a proactive approach to meet these needs at the earliest possible opportunity. The range of savings that have been put forward for this budget are to best meet these objectives and ultimately seek to reduce these inequalities.

National information, such as ‘An anatomy of Economic Inequality in the UK’ and local information is available to demonstrate that people who share elements of these protected characteristics are particularly vulnerable.
http://www.telford.gov.uk/info/200041/equality_and_diversity/1372/equality_information/1

Our consultation questionnaires also asked for profile information that hasn’t previously been done on a large scale. This will allow us to gather a more robust evidence base and ensure fairer representation of views within a decision making framework.

Negative

However there is potential for negative impacts for a number of groups who share protected characteristics;

- People of different ages
- People with ill health or people with a disability
- Different racial groups
- People affected by deprivation

People who share these protected characteristics are our primary services users, any reduction in the available budget for services that cater to these groups of people has potential to have a negative impact.

The council is limited in its ability to increase its income from service delivery, such as raising charges for leisure services, and therefore efficiencies and potential service reductions have to be sought. The Council Tax options will also increase income to a varying degree.

No impact
There is insufficient information to identify a disproportionate positive or negative impact for these protected characteristics.

- Women who are pregnant or breast-feeding
- People that are married or in a civil partnership
- People with different religion or beliefs

Development of monitoring techniques for future exercises will enhance our understanding of the needs of people who have these protected characteristics.

There was no evidence of a disproportionate impact on people of different gender.

Engagement and consultation

A great deal of engagement consultation has occurred both directly and indirectly with the public, service users and partners including other public sector organisation, businesses and the voluntary sector.

The consultation began with views being sought for the 100 day budget review – using surveys (paper and online), action surveys and direct consultation. The results and outcome of this borough are shown in this report http://apps.telford.gov.uk/demservice/DisplayDocument.asp?type=pdf&ref=13665

This information has helped to develop the 10 Guiding principles;

- To develop spending plans that are based on and address the community's needs and priorities;
- Be open and transparent in how resources are spent across the Borough, but target spend at issues and areas where needs are greatest;
- As a Co-operative Council, work with our community to identify creative new ways of delivering services and ensuring that needs in the Borough continue to be addressed;
- Seeking to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting services from cuts (NB. This budget review is not considering levels of Council Tax in 2011/12 or beyond);
- Deliver efficiencies and savings, as far as possible minimising the impact on the quality of services, particularly through improving our approach to procuring goods and services;
- Look for external investment e.g. Government grants, to address priorities;
- Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation;
- Taking a responsible approach to the use of Council reserves that balances the need for financial prudence and sustainability with the need to maintain and protect important frontline services;
- Where possible cut the Council's reliance on borrowing for some capital schemes so that expenditure on debt repayments can be reduced;
- Sell some of the Council's land and property to reduce borrowing, cut running costs, and – where there is a strong business case – to fund priority facilities and schemes.

There have also been specific activities relating to individual savings proposals and these are shown with the appropriate equality analysis. These are contained within Appendix 12 of the report and include;

- Low level preventative service
- Review charging policy – disability related care costs

- Supporting people
- Development of home care package
- Review transport mobility arrangements
- Apply cap to costs of care packages
- Personalised model
- Bulk collections
- Increased recycling
- Clinical waste
- Rationalise the CRC
- Replacement of some lit signs and bollards
- Street Lighting – Energy Efficiency Programme
- Concessions Policy
- 10% increase in court costs

A more extensive campaign was commenced on the 23 December 2011 and ended on the 31 January 2012. It has utilised informing and consultation sessions with a range of consultative forums such as the Community Panel, Telford Business Board, paper and online surveys, tailored interest presentations and a large public event, which attracted over 70 people to a presentation and series of participative activities.

The council tax question and options were distributed with the borough magazine to every home in the area, Your Voice, where a short tear off freepost response form could be completed.

Responses to the consultation have largely been positive with occasionally specific feedback and comments suggesting alternative or additional savings have been received. A summary of comments was made available online weekly. Where appropriate these are feed into the Service Delivery Unit most relevant to the comment.

2 complaints regarding monitoring questions have been made and responded to but significantly a large number, over 1300, of monitoring responses have also been received. It is evident that a clearer explanation of the advantage of knowing the need of our customers is required combined with a more consistent approach towards usage.

Approximately 2450 responses were received from;

- Paper Survey
- Online Survey
- Council tax Cut from Your Voice'
- Comments, Suggestions and Ideas

A further 381 people have been visited through forum meetings and events.

Further targeted engagement has been conducted aimed at specific groups based on monitoring information that has indicated a deficit of responses compared to the profile of the borough.

A more detailed final profile of responses has been compared against population projections derived from the Census 2001 population profiles http://www.telford.gov.uk/info/200041/equality_and_diversity/1372/equality_information/2

The cabinet report of final recommendations is to be considered 23rd February 2012 and full Council 1st March 2012.

No further consultation regarding the overall proposal package is planned for this year.

Specific proposals will be subject to further consultation and engagement, for example the supporting people personalisation project. As more information is collected and analysed from services this will adapt our approach and allow for fine tuning of proposals.

The service and financial planning process is continuous and due to the scale of potential impacts we are constantly looking at the cumulative effects of these changes. Performance and impact information will be made available through our internet site, www.telford.gov.uk, which illustrates our impact.

The effectiveness of this campaign and the techniques used will be analysed to inform the annual budget setting process. An evaluation report to the senior management of the council will be created and published later in the year.

Section 3 – Mitigating Actions

A number of actions have been identified that will be used to mitigate or enhance significant impacts;

Negative

People of different ages
Reconfiguration of Children and Families services have focused on early intervention and holistic approaches to improve outcomes and in doing so their cost efficiency. Particular attention is to be paid to the review and monitoring of these changes to provide assurance of the positive outcomes. Contingencies are held for specific services such as Sensory Impairment, so that corrections can be made without putting pressure on other service budgets

Changes to Adult Social Care (ASC) services will focus on re-ablement; improving outcomes for service users ensuring independence and greater freedom in how services are delivered to them. A great deal of proposals feature ASC but this is appropriate given the proportion of our funding spent on it. Due to the sensitivity of the changes, recommendations have been made to conduct specific impact analysis and engagement regarding a number of proposals (shown in the report, Appendix 12).

Different racial groups
Tools have been developed and are constantly being updated and improved to provide greater racial and national cultural awareness. Confidence and knowledge

will lead to greater competency at understanding and establishing individual needs as well as those of the diverse communities within Telford and Wrekin.

A growing diversity of communities will present challenges to services but with a more fine-grained approach to information gathering we will be able to identify emerging trends and respond appropriately. This will impact largely through our social care services but a council-wide improvement will be seen. Information will be updated on a regular basis through the internet.

People affected by deprivation
Specific focus is being provided to areas of identified deprivation from multiple index of deprivation. A pilot of co-operative working, including communities, statutory and voluntary sector organisations, is in operation and monitored regularly. A cabinet report 26th January 2012 demonstrates the impact and shows future projects and programmes are in development
http://apps.telford.gov.uk/demservice/DisplayDocument.asp?type=pdf&ref=14151

No impact
During this process it has become evident that we could benefit from improved information regarding a number of protected characteristics for example sexual orientation and that our profile information may not accurately represent the community because it is based on information stretching back to Census 2001. These three protected characteristics have been identified as having insufficient information to know what the impact of our decision would be;

- People with different religion or beliefs
- Women who are pregnant or breast-feeding
- People that are married or in a civil partnership

Development of a consistent approach and clear rationale for extension of monitoring categories to be used where relevant within consultation will help us to have a clearer picture of the needs of these groups of people. Relevance is a key factor when determining categories used however given the importance and potential affects of the budgetary proposals a full profile would be most appropriate.

The financial report and savings proposals contribute to the aims of the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

Overall the proposals will help us meet the General Duty by drive forward equality of opportunity.

They require us to work in a more targeted and efficient manner for the more vulnerable members of our communities. This will be evidenced through performance information and overall analysis of the population. We will expect to see reductions of inequality between groups and improvement in the overall standard of living. It may be a relatively slow process, and certainly slower than desired, because these inequalities are largely based on generational differences. However, early indicators collected across council services should demonstrate positive and sustainable trends

The acceptance of the government grant or level of council tax will determine what future changes will be required. The likelihood of additional real term reductions in service rather than further improvement in efficiency and refocusing of resources is higher if the level of council tax does not rise over this period. This may affect the ability of the council to further advance the aims of the General Duty.

Section 4 – Review and Monitoring

It is intended that the majority of proposals will begin implementation from April 2012.

The on-going impact of the financial report will be monitored and reviewed, below is a summary of the proposed actions and key dates

This is a summary of the key dates and decision making meetings for this report and savings proposals;

- 31st January 2012 - Completion of phased engagement.
- 23rd February 2012 – Report considered by Cabinet
- 1st March 2012 – Report to full Council

Information is published on the internet for each stage and a summary is available in the councils forward plan document - http://www.telford.gov.uk/info/200033/councillors_democracy_and_elections/1158/forward_plan

A series of monitoring reports will run throughout the year following appropriate financial control practice;

A report with an evaluation of the consultation and assessment process will be produced for Senior Management Team to consider and published later in the year **– May 2012**

It is evident that a clearer explanation of the advantage of knowing the profile, and therefore needs of our customers, is required, combined with a more consistent approach towards usage. Clear monitoring and usage guidance to be developed **– May 2012**

Individual impact analysis to be conducted on all future savings proposals using the process outlined in the report, to occur as they are planned and developed. **- Up to March 2015**

Appendix 12 (b) Impact Assessment (Environmental)

This paper is an environmental assessment to be included in the Budget and Financial Savings Report 2012-13.

In order to arrive at this information we have taken a number of steps to ensure that the proposals are relevant to the environment and in-line with environmental best practices.

Here is a brief explanation of the steps we have taken:

- A screening exercise was conducted by the Development Plans Team, to identify further requirements for impact analysis for the next financial years budget savings.
- There are a range of positive and negative environmental impacts identified within these proposals. Actions to mitigate and enhance these impacts have been identified where appropriate.

Proposal number	**Description of impacts with supporting evidence**	**Proposed actions to reduce, manage or enhance impacts where appropriate**
200	The proposal is to implement a Street Lighting Energy Efficiency Programme to make the Council's street lighting stock more energy efficient. The programme will focus on using new street lighting technologies which are more energy efficient and efficiencies in the general management and maintenance of street lights. The aim will be to continue to provide a street lighting service in the borough, wherever possible, but reducing the overall level of energy consumption.	• Continue with the scheme and further information should be provided as to the energy and CO2 savings from the utilisation of energy efficient street lights compared to the night switch-off programme to give a clear indication of the energy and CO2 savings of the proposals.
72	The proposal to increase recycling by targeting 30% of households that currently do not recycle or recycle at low levels. This will have a positive environmental impact by helping to divert waste from landfill. Currently, approximately 49,000 tonnes of refuse is collected from Borough households and land filled each year.	• Continue with the proposal to minimise waste disposal at landfill. However further clarification could be provided in

	To increase the recycling target will reduce the waste tonnages that end up in landfill.	the proposal to state the CO_2 savings from diverting this waste from landfill.
204	The proposal to roll out recycling collections to remaining multi occupancy dwellings (flats) will save on disposal costs and weekly refuse collection service. This will have a positive environmental impact by helping to divert waste from landfill.	• Continue with the scheme. However further clarification could be provided in the proposal to state the CO_2 savings from diverting this waste from landfill.
78	The proposal to reduce powered street signs will have a positive environmental impact by reducing energy consumption of street signs which would reduce carbon emissions.	• Continue with the scheme. However, further information could be provided on the energy and CO_2 savings resulting from the proposal.
169	The proposal to reduce multi-functional devices (MFD's) in council buildings will have a positive environmental impact by reducing energy consumption of MFD's which would reduce carbon emissions.	• Continue with the scheme. However, further information needs to be provided on the energy and CO_2 savings resulting from the proposal.
206	The proposals to reduce the frequency of litter picking, sweeping and graffiti removal will inevitably impact to some extent on the quality of the environment.	• Continue but on maybe on a reduced frequency to sweep roads in Borough Town Centres and District Town Centres. • Saves on fuel and vehicle emissions • Engage regularly with Parish/Town Councils to identify any areas where reduced environmental maintenance is having a particular visual impact

		and utilise a newly established rapid response team accordingly
31	The proposals to train individuals to use public transport rather than have bespoke transport provided for them will have a positive environmental impact by reducing fuel consumption of bespoke vehicles which would reduce carbon emissions.	• Continue with the scheme.
131	The proposal to rationalise property will have a positive environmental impact by reducing the energy consumption of the properties which will reduce carbon emissions. Estimated total saving are approximated around £5,000 (4,917). These savings are demonstrated in carbon credits costs (based on £12 per tonne).	• Continue with the scheme.
24	There is concern about a possible increase in fly-tipping as a result of the proposal to increase charging for bulk collections to all residents.	• Continue to monitor fly-tipping levels and engage with Town and Parish Councils to identify any fly-tipping hotspots and utilise a newly established rapid response team accordingly • Promote 'Chairs & Spares', a social enterprise that re-uses furniture and electrical items, who will collect appropriate items in Telford & Wrekin and surrounding areas free of charge • Promote alternative services such as Freecycle.
207	The proposal to charge a minimum 50% contribution towards tree works barring essential work will inevitably impact to some extent on the quality of the environment.	• Engage regularly with Parish/Town Councils to identify any areas where tree/woodland overhang etc is having a particular visual impact.

159	The proposal to review clinical waste collection service for the majority of the current 350 collections to be collected in the grey bin with one-third of the clinical waste going to incineration and two-third's going to landfill, rather than all clinical waste being incinerated. Even though this will slightly increase the waste going to landfill, the increased methane retrieval from landfill is converted to energy. This is environmentally positive where waste is converted to energy and fed into the grid rather than incinerated. The collections of the clinical waste will still be with the current collections, therefore there will be no extra collections which would cause extra CO_2 emissions from collection vehicles.	• Continue with the scheme.
205	The proposal to rationalise the CRC service by. closing the highest running cost site - Newport , and closing 2 out of 3 sites on a rotational basis on Tues - Thurs. Monday , Friday and Weekend opening of the 3 sites are retained. There is some concern about the extra CO_2 transport emissions which may be emitted by residents having to drive further to reach an operational CRC.	• Further clarification is required as to the CO_2 savings from closing a site compared to the CO_2 emissions of residents having to drive further to reach an operating CRC.
74	The proposal of the lean review of reactive and planned drainage maintenance.	• Further clarification is required to clarify that enough resources are available to undertake the outcomes of the review, i.e. the proposal may state that gully's need to be cleared more often than currently undertaken.
71	The proposal for the leachate from Stoney Hill to be pumped from the landfill cells and discharged directly to the public sewerage system rather than by tankering. The leachate will be treated on-site, to meet Environment Agency standards before being released into the public sewage system. Any issues regards to on-site exposure have been resolved through the closed-off nature of the site. Reports on these issues are available.	• Continue with scheme.

APPENDIX 12 (C) - 2012/13 NON-STAFFING SAVING PROPOSALS: ECONOMIC IMPACT ASSESSMENT

- 12/13 non-staffing proposals have been screened to identify those which impact on:
  - sustainability of *local* businesses/third sector – including increased fees, regulation or reduction in spending
  - *loca*l employment – the potential to either create jobs or reduce jobs
- For those proposed savings which were identified by the screening, mitigating factors have been identified.

SR	Issue	Economic Impact	Mitigation
	Community, Leisure & Libraries		
187	Reduce the amount of budget available for community public events e.g. Culture Fest	Possible reduction in the number of visitors to the Borough	Seek sponsorship from private sector to sustain number of events
	Care & Support		
2	Meals on wheels (I) cease service or subsidy. It is proposed to undertake a review of the community meals service for delivery in 2013/14.	Impact on ability of WRVS to deliver future service Impact on additional service providers who reheat meals	The review of the service will consider the impact on the WRVS and other service providers.
152	Supporting people (OE) – savings will be delivered following a fundamental review of existing contracts.	Impact on service providers – possibility of reduction in employment levels	Contract review will need to consider economic impact of any changes. The Council and partners have opened an employability centre to help the unemployed and those facing possible redundancy into work through practical advice including retraining.
154	Holding contract prices at current levels (OE)	Impact on service providers – viability of some VCS providers and independent and private sector providers and subsequent possibility of reduction in employment levels	The Cooperative Council Commission "procurement" working group is recommending that the Council reviews how it manages contracts with the voluntary sector to ensure the long term sustainability of this sector. The Council and partners have opened an employability centre to help the unemployed and

			those facing possible redundancy into work through practical advice including retraining.
	Environmental Services		
18/19	Increased parking charges in Town Centre & Ironbridge (I)	Possible reduction in visitors leading to loss of income for local businesses.	The Council has commenced development of a 'single growth plan' for the Borough to improve prosperity. Key elements of this will be: - actively promoting the Borough as a place for enterprise and attracting inward investment to the Borough (both housing and business) - enhancing our business support for tourism, food and drink and advanced manufacturing. - promoting the Borough as a tourist destination. - continuing the development of the Town Centre (Southwater and Ice Rink) to improve the 'offer'
21	Increased charges for s38/s278 development charges from private developers (I)	Additional cost to businesses	See 18/19 – through future inward economic investment, demand for land should increase off-setting these increased costs.
23	Pavement licensing scheme adoption of charges (I)	Additional cost to businesses	See 18/19 - this activity will have a specific focus on increasing tourists into the Borough and raising prosperity. This will positively impact on the customer base of retail outlets across the Borough.
159	Waste & Refuse – clinical waste service review (P)	TWS service provider – potential changes to contract and service provision – possible reduction in employment levels.	The Council and partners have opened an employability centre to help the unemployed and those facing possible redundancy into work through practical advice including retraining.
202	Environment & Open spaces: winter maintenances (RCS)		
203	Waste & Refuse 4 day week for refuse and recycling (RCS)		
205	Waste & Refuse: rationalise CRC		

	(RCS)		
206	Environment & Open Spaces: reduced specifications for litter picking, sweeping and graffiti removal (RCS)		
	Housing & Planning		
28	Increase in licensing taxi fees (I)	Additional cost to businesses	See 18/19 this activity will increase visitors to the Borough increasing demand for taxis.
116	Reduce B & B usage for the homeless (OE)	Impact on local B&B businesses	See 18/19 – this has the aim of improving tourism into the Borough which may provide new opportunities for B&B owners.
	Economy & Skills		
60	Reduce event sponsorship (OE)	Reduction in promotion of the Borough to attract inward investment	See 18/19
63	Reduce sector development (OE)	Reduced support to drive forward economic growth in key sectors.	
	Property & ICT		
119	Catering & Cleaning – reduction in milk provision – retender of provision (OE)	Impact on service providers – possibility of reduction in employment levels	See 18/19 - the Council and partners have also opened an employability centre to help the unemployed and those facing possible redundancy into work through practical advice including retraining.
163	Catering & Cleaning – retender of catering provisions and supplies (P)		

I =income; OE = operational efficiency; P = procurement; RCS = reduced/changed service

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2012
COUNCIL – 1 MARCH 2012

SERVICE AND FINANCIAL PLANNING 2012/13 TO 2014/15 OVERVIEW AND REVENUE BUDGET

REPORT OF THE MANAGING DIRECTOR, THE CHIEF FINANCIAL OFFICER AND THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE.

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

This report seeks approval of the Service & Financial Planning strategy for the three year period 2012/13 to 2014/15 with specific budget proposals for 2012/13 and savings proposals and capital investment plans for all three years. This report, along with other reports on this agenda covering:-

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

forms the Council's overall Medium Term Service & Financial Planning framework and proposes the service priorities and budget for 2012/13 as well as savings proposals that will be delivered over the next three years and a medium term capital programme.

Pressures Facing the Council:-
The current financial position facing the Council is the most challenging ever. Some of the challenges we face include:-

- Projected grant cuts of £27m (or around £40m in real terms) over the period of the current Parliament.
- The withholding of almost £2m grant that the Government calculate should come to this area but which is paid to other parts of the country through the grant "damping" mechanism.
- A shortfall in grant of up to £2.8m due to the methodology used by ONS to estimate population between annual censuses.
- Reduced income from having a comparatively low council tax. If the Council had the same level of council tax as the average in the Midlands, an additional £6.5m pa would be generated.
- Pressures caused by an ageing population with increasing numbers of older people needing adult care services.

- Increasing numbers of looked after children.
- Pressures caused by the recession which increases demand for some services e.g. payment of housing and council tax benefits but also reduces the Council's income e.g. income from planning applications and rents from the Council's property investment portfolio are affected by the economic downturn.
- Increased tax payments e.g. the landfill tax escalator.
- Considerable uncertainty over the medium term outlook given the Government's intention to make radical changes to the local government finance system from 1st April 2013 but for which no details are currently available except that the level of risk facing the Council in future is likely to be significantly greater.
- The considerable pressure caused by the use of over £9.2m of one-off resources in the budget for 2011/12 approved last year which delayed the need to make ongoing savings. This left very limited usable one-off resources available to the Council but was predicated on the delivery of the savings programme targets and reviews plus future council tax increases as the strategy report stated last year. *"This obviously introduces a higher level of risk into the financial strategy than usual and can only be supported by the presence of an existing planned programme of reviews which are already generating savings to replace this extensive reliance on one offs for 2011/12. As long as this programme of reviews delivers on time and target then the projected residual deficit in 2012/13 can be covered with a mix of council tax increase and a more routine use of one off sums "* The Council is projected to have just £3.7m of usable balances remaining at the start of 2012/13.

An additional pressure in the budget is the considerable part of the net general fund budget committed to the repayment of debt incurred in respect of past capital investment decisions. Repayment of debt for past spending decisions is a commitment that cannot be avoided and as grant cuts and other pressures reduce the resources available to the Council interest and principal repayments take up an increasing proportion of the resources available that could otherwise be used to deliver front line services.

Projected Annual Cost of Borrowing	**2012/13 £m**	**2013/14 £m**	**2014/15 £m**
• Interest repayments	4.767	4.985	3.250
• MRP (Principal) repayments	5.278	5.592	5.069
• Debt held by Shropshire Council on behalf of Telford & Wrekin	2.086	2.003	1.917
Total	**12.131**	**12.580**	**10.236**

The recent “mid-year” 100 day budget radically reviewed planned capital commitments and reduced or cancelled schemes where legally binding commitments had not been entered in to – including the building of new civic offices saving over £1.1m pa alone. In total, the ongoing revenue savings arising from the 100 day budget from reduced debt repayment costs totals almost £3m pa compared to previous plans.

Despite the pressures faced by the Council, we remain committed to the provision of free car parking. The Council provides 2,000 free car parking spaces across the Borough. The only car parks that the council charge for are one small (56 spaces) car park in the Town Centre and the public car parks in Ironbridge. Charges for these car parks remain lower than those in the large privately owned Town Centre car parks, lower than those in Shrewsbury town centre and lower than those in other world heritage site locations. Many councils are increasing car parking charges by significant amounts in order to generate additional income but we recognise that the introduction of parking charges in our free to use car parks would have a detrimental impact on residents and the local economy.

<u>Action already taken:-</u>
The Council has clearly been preparing for the financial challenges we face for some time. Action already taken includes:-

- Identification of ongoing revenue savings over the 5 years up to and including 2011/12 of over £28m
- Reducing the number of senior managers by 55% and cutting the pay of the most senior managers by up to 17% saving a total of over £2.1m pa
- Savings identified from “back office” functions of almost £6m or 33% over the period 2009/10 to 2012/13 – far more than has been achieved by most organisations that have gone down a shared services route and without incurring significant project costs or delays.
- The 100 day budget review which saved just under £3m pa on debt repayments compared to previous plans.
- Reductions in the cost of the special responsibility allowances paid to Cabinet Members.
- An ongoing organisation wide restructure programme which will see most staffing budgets across the Council cut by an average of 20%. This has largely been achieved through vacancy management, extensive redeployment (1,000 council staff have been redeployed since 1 April 2010) and over 350 voluntary redundancies with 14 compulsory redundancies to date during the process.
- Strict controls placed on the use of agency staff and consultants and external job advertisements.
- A detailed line by line analysis of budgets by Heads of Service and their teams cutting out spending where ever possible and identifying efficiencies with an emphasis on protecting front line services as far as possible.
- The most extensive consultation exercise ever undertaken by the Council to inform service priority and budget decisions.

- A detailed programme to rationalise operational buildings across the borough to realise both revenue savings and capital receipts.
- A strong focus on procurement which will deliver savings of in excess of £4m.
- Re-establishment of a revenue “Invest to Save Reserve” of £0.5m from current year underspends to fund money-saving initiatives with a significant payback to the Council.

Consultation Activity and Feedback:-

This year we have carried out extensive consultation activities. Between August 2011 and January 2012 we have consulted with and received feedback from approximately 7,442 contacts.

The draft strategy itself was informed by approximately 3,000 contacts. Since the draft strategy was approved by Cabinet on 22 December 2011 the Council undertook further extensive consultation. We tried to ensure that as many people as possible, across the Borough had the information and the opportunity to get involved and give their views. Consultation methods included:-

- A consultation pull out document ‘the budget challenge’ summarising the main budget proposals; distributed through “Your Voice” with the aim of informing every household in the Borough and giving every household the opportunity to give their views;
- A dedicated budget page on the Council’s website which gave people a range of opportunities to get involved and give their views on the budget strategy, including the draft priorities. Opportunities include use of Facebook, Twitter, and invitations to write in, ring in or text in views and comments;
- A full online budget survey and hard copies distributed in libraries and First Point receptions;
- A survey sent to all members of the Community Panel;
- Meetings with a range of forums and groups;
- A well attended open public meeting;
- Information outlining the budget consultation and how people can get involved distributed to a wide range of people including town and parish councils, the business community and the voluntary and community sector;
- Surveys distributed through a wide range of networks including Children’s Centres, Early Years Settings, FE Colleges, Faith Organisations, Medical Centres and resident groups.
- Formal consultation with the Council’s Budget & Finance Scrutiny Committee which includes an independent co-opted member of the public and councillors from both the controlling and main opposition groups.

Key results of the budget consultation include:-

- The most important guiding principle for people is that of ‘find better ways to run services and avoid wasting money’.

- 69% net of people agreed with our plans for Children and Family Services.
- 83% net of people agreed with our plans for Adult Services.
- 82% net of people agreed with our plans for Environmental Services.
- Investments – 13% net of people agreed with the new capital programme which includes improvements to Brookside and 82% net of people agreed with adult services proposals.
- Cuts most supported include Street Lighting Efficiency Programme, Increase independent travel and removal of concessions on golf for all groups.
- Cuts least supported include an annual increase in council owned car parks in Ironbridge and Telford Town Centre and the review of the number of routes gritted in ice and snow from next winter.
- All draft priorities received net agreement of 57% or over. Growing the local economy to create jobs was the priority with the highest net agreement.

(Net agreement is calculated as those agreeing with a question minus those disagreeing).

<u>Council Tax - Consultation Results</u>

In total 2,287 people responded to the Council Tax question. Results show that:

37% of people (848 people) opted for Option 1 ("Accept the Government's grant and freeze council tax next year. This one year grant is the same as a 2.5% rise in council tax. The Council says taking it will store up future problems, adding an extra £1.4million to the budget shortfall in 2012/13 and forcing even bigger rises in council tax or deeper cuts to services the following year. Change on your council tax Band B bill £0.00/week")

37% of people (844 people) opted for Option 2 ("Decline the one off grant and increase council tax by 41p per week (2.5%) for the average property next year to avoid additional service cuts or a higher council tax rises in 2013/14. Change to council tax bill Band B 41pence/week")

26% of people (595 people) opted for Option 3 ("Decline the one off grant and increase tax by 58p per week (3.5%) next year for the average property and then either remove some of the proposed service cuts or reduce the council tax rise in 2013/14. Change on your council tax Band B bill 58pence/week").

In total 63% (1,439 people) voted for either option 2 or option 3 i.e. some level of increase in council tax.

Details of the results of the above consultations can be found in Appendix 11.

An equality impact analysis of the overall impact of the budget has been completed and is included in Appendix 12 along with economic and environmental impact assessments. The analysis will be reviewed and monitored over the full period covered by this report to ensure no unidentified impacts occur and positive progress is maintained.

Only 5 of the savings proposals for 2012/13 received negative net satisfaction ratings (i.e. more people were against the proposal than those in favour) during the consultation exercise. These proposals and the cabinet's proposed response to them are detailed below:-

	Agree %	Disagree %	Net %	Saving 12/13 **£'000**	Saving 13/14 **£'000**	Saving 14/15 **£'000**
Revise charges for Resident Permit Scheme and Season Tickets in Ironbridge	33	38	-5	19	19	19
Revised Proposal - • *To retain free parking permits for residents of Ironbridge and revise charges for residents visitor permits – from £15 to £25 and seasonal full permits from £35 to £55* • *Free drop off and pick up parking for parents will be retained* • *The administrative process for issuing permits will be reviewed.* *This will reduce the saving generated by £17.5k pa*						
Increasing charges from £8 to £12 per hour for low level support to vulnerable adults, who do not meet the eligibility threshold for community care support	36	43	-7	117	117	117
Revised Proposal - • *To phase the charge in by increasing to £10 per hour with effect from 1st April 2012 and to £12 an hour (so that the service is no longer subsidised by council tax payers) with effect from 1st October 2012.* *This will reduce the saving by £29k in 2012/13*						
Reviewing the number of routes gritted in ice and snow from next winter	37	50	-13	50	100	150
Revised proposal • *To retain the current primary and secondary winter maintenance routes and salting/gritting standards.* • *To find operational efficiencies through greater use of new technology and highway thermal monitoring of £50k pa*						

There will therefore be no net reduction in the saving for 2012/13 but a reduction of £100k ongoing by 2014/15.						
Increase parking changes annually by 10% in Council owned car park in Telford Town Centre	29	59	-30	4	8	8
No change is proposed on the basis that the Council only owns one small car park (56 spaces) within the Town Centre. *The charges for this small council owned car park during 2012/13 will be:-* *Up to 1 hour = 80p (previously 70p)* *Up to 2 hours = 1.40 (previously 1.30)* *Up to 3 hours = 2.20 (previously 2.00)* *Up to 4 hours = 2.80 (previously 2.50)* *Over 4 hours = 3.40 (previously 3.10)* *The Council currently provides 2,000 free parking spaces across the area and there are no plans to impose any charges on these spaces.*						
Increase parking charges annually by 20% in Council owned car parks in Ironbridge	24	62	-38	16	32	32
Revised proposal *Charges will be increased as follows (20% rounded to the nearest 10p):-* *2012/13 <u>Market Square Car Park</u> (16 spaces)* *Up to 30 minutes = 50p (previously 40p)* *Up to 1 hour = 90p (previously 70p)* *<u>Other Ironbridge Car Parks</u>* *Up to 2 hours = 90p (previously 70p)* *Up to 3 hours = 160p (previously 130p)* *Over 3 hours = 170p (previously 140p)* *2013/14 <u>Market Square Car Park</u> (16 spaces)* *Up to 30 minutes = 60p* *Up to 1 hour = 110p* *<u>Other Ironbridge Car Parks</u>* *Up to 2 hours = 110p* *Up to 3 hours = 190p* *Over 3 hours = 200p* *There will be a minor reduction in the saving which is currently being assessed.*						

Two other savings proposals attracted strong comments. These were:-

“The introduction of a pavement licensing scheme with a £50 charge to the businesses concerned”. In response to consultation, it is not now proposed to introduce this scheme. This will reduce the savings totals by £2.5k pa by 2013/14, however the council will now work with Wellington Town Council, Shropshire Chamber of Commerce and traders to work up a system whereby shop traders, residents and all partners are happy with the look and feel of the high street.

“The closure of the Newport Community Recycling Centre (CRC)”. As part of the consultation process discussions have taken place with representatives of Newport Town Council to explain the financial basis behind the proposal and to establish whether they wanted to consider funding the operation of the CRC. The outcome of these discussions is that in the present financial climate both the Borough Council and Newport Town Council are not in a position to fund the facility and therefore the original proposal to close will stand. Full use of the Council’s Kerbside Service for dry recyclables and Green Waste will help mitigate the closure. From April, three CRC’s throughout the Borough will remain open on Friday, Saturday, Sunday and Monday and on Tuesday, Wednesday, and Thursday there will be one CRC available for Borough residents.

In total these changes have the effect of reducing the savings originally proposed as follows:-

2012/13 **£’000**	2013/14 **£’000**	2014/15 **£’000**
68	70	120

<u>Grant Settlement and Future Prospects:-</u>
Following the Comprehensive Spending Review (CSR) for the period 2011/12 – 2014/15 which was announced in October 2010 it was clear that the level of Government grant funding for local authorities would be cut significantly over the medium term. The extent of these reductions and their very considerable front-loading became clear when the provisional grant settlements for 2011/12 and 2012/13 were released in December 2010. Whilst the average reduction for Government Departments over the 4 year CSR period is 8.3%, the average reduction for local government over this period is 27%, more than three times as much. In real terms this Council is facing grant cuts of around £40m during the period covered by the CSR as the Government seeks to bring the national budget back in to balance following the impact of the international financial crisis and recession.

The provisional grant settlement for 2012/13 was announced on 13th December 2010 as part of a 2 year grant settlement and a revised provisional settlement was announced on 8th December 2011. This has now been confirmed although details of a small number of grants (which total around

£1m in 2011/12 are still awaited). Based on the information currently available, the Council faces an additional grant loss of £5.6m (7.9%) next year which is in line with the provisional announcement made in December 2010. This reduction is in addition to the grant reductions of £13.6m faced by the Council in 2011/12 and the £3m in-year grant reduction announced by the Government during 2010/11.

The Government are currently undertaking a major review of the local government finance system and have not, therefore, released any grant allocations for 2013/14 or 2014/15. Any financial projections for these years are therefore subject to a very significant level of uncertainty but it is very likely that the financial position faced by the Council from 2013/14 will have a higher level of risk than previously. The Council is likely to have to bear the risk of not being able to collect business rates and a greater proportion of the cost of increased Council Tax benefit payments both of which are largely covered by the Government under the current system and both of which could result in the Council's financial position being more significantly impacted by recessions or other adverse events affecting local businesses and other local employers in future.

The grant settlement for 2012/13 continues the use of a damping mechanism which will result in around £2m of grant that the Government calculate should come to the Council to support the needs of this area being withheld from the Council in order to reduce the impact of grant reductions in other parts of the country. (Damping is also applied to the Early Intervention grant resulting in a further loss to the area of an additional amount of grant of £1m.) The amount withheld from the Council through the damping mechanisms has reduced over recent years by around £1m pa but it is now highly likely that the move to a new national financing system for local government will see the level of grant damping in 2012/13 not being unwound any further and being perpetuated for many years to come. The new system is also unlikely to correct an estimated under-count of population in this area which costs around £2.8m pa.

In the Autumn Statement, the Chancellor indicated that prospects beyond the current CSR period are likely to follow current trends with further significant cuts to public spending likely. This means that the Council is likely to face further funding reductions in 2015/16 and 2016/17 and must plan now for continued financial constraints in the foreseeable future.

Council Tax:-

Telford & Wrekin Council has one of the lowest council tax levels in the country. We have the lowest council tax in the Midlands region for the services that this Council provides (£129 lower than the average at band D and £332 below the highest in the Midlands region) and we have the sixth lowest council tax out of all unitary authorities across the country. This low level of Council Tax means that the Council has a higher dependency on Government grants and cuts to these grants have a proportionally greater impact on Telford & Wrekin compared to many other councils.

In the current financial year there was no increase in council tax as the Council decided to take the council tax reduction grant paid by the Government for a 4 year period but which will cease to be payable from 2015/16 presenting a financial shortfall in that year which will mean that the Council will have to make further savings to cover the loss of this income.

For next year, the Government has announced another grant payable if councils freeze council tax again. However, the Government's offer for 2012/13 is different. This time, the offer of funding to councils that freeze council tax is a one-off grant, and will only be provided for one year. Councils that accept the grant will be left with a "black hole" in funding in every successive year. For Telford & Wrekin that shortfall would equate to £7m over five years. Councils would have to make up this shortfall through further cuts or higher increases in council tax.

The Council recognises that these are challenging times for council taxpayers but taking account of the above issues and in line with the responses received from the extensive consultation undertaken on the three options put forward for consideration by the community, the soundest option is to decline the Government's offer and, instead, increase council tax by 2.5 per cent for 2012/13. This will make the Council's budget more sustainable over following years and avoid some of the most damaging cuts that would otherwise have to be made to front-line services.

This means the authority would not have to increase council tax by up to 3.5% in subsequent years and the Council will commit to increases of 2.5% pa for the following 3 years as part of a sustainable medium term financial strategy.

This increase equates to 41 pence per week for the average property in the Telford & Wrekin area next year and is an increase of around half the current rate of inflation (RPI for December 2011 was 4.8%).

An increase of 2.5% will mean that council tax in this area will still remain amongst the lowest in the country and is likely to be the third lowest in the Midlands (just over 1% higher than the lowest). Band D Council tax in Telford and Wrekin is still likely to be more than £50pa cheaper than the average in the Shropshire Council area.

Having considered the responses to consultation and equality analysis, key proposals included in this report are:-

- In line with the responses to the consultation exercise, the report proposes an increase in the level of council tax of 2.5% in 2012/13. It is also proposed to plan on the basis of increases at this level for the remainder of the term of this Council. This will ensure that the financial position and ability of the Council to deliver services is more sustainable than the short-term alternative of taking a one-off grant from the Government which would otherwise force greater cuts or a higher council tax increase in 2013/14.

- Implementation of the further reductions to the number of senior managers recently consulted upon and continuation of the organisation wide restructuring and service review process currently underway which will see budgets cut by 20% in most parts of the Council although the actual level of savings will vary between different services. Staffing budgets will have been reduced by over £17m and non-staff savings proposals included in this report total over £21m over the three year period.
- To protect the adult social care budget by reinvesting savings of £2.5m back in to adult social care services.
- To continue the Council's investment commitment in key infrastructure projects such as new and improved schools and the regeneration of Telford Town Centre as well as some new investment in Brookside.
- To suspend the contribution to the single status provision until implementation which is planned for 2014/15.

The overall medium term financial strategy is summarised in the table below:-

Projected Budget Gap	**12/13 £m**	**13/14 £m**	**14/15 £m**	**15/16* £m**	**16/17* £m**
Base Budget gap See Appendix 2	21.847	31.635	34.306	40.366	47.076
2011/12 – 2014/15 Tax reduction grant ceases to be paid from 2015/16 onwards				1.400	1.400
Savings proposals including additional income – see Appendix 5 (net)	-8.899	-17.067	-21.151	- 22.541	-23.931
Savings from staff restructure (net)	-8.158	-8.483	-8.483	-8.483	-8.483
Single status provision – cease funding for 12/13 and 13/14, net of costs.	-2.000	-2.400	-0.500	-0.500	-0.500
Total Projected Budget Shortfall before use of balances and Council Tax increases	**2.790**	**3.685**	**4.172**	**10.242**	**15.562**
Council tax increase of 2.5% in 2012/13 and similar increases in later years	-1.400	-2.800	-4.200	-5.600	-7.000
Restated shortfall before use of general balances	**1.390**	**0.885**	**-0.028**	**4.642**	**8.562**

* Projections beyond 2012/13 have a high degree of uncertainty due to the unknown impacts of the Local Resource Review and projections beyond 2014/15 are more uncertain still as they fall outside the current CSR period.

Robustness of the Budget Strategy

The Council's Chief Financial Officer is required to give a view on the robustness of the Council's financial strategy including the use of balances and of the financial planning process. Appendix 8 gives a more detailed view, but overall the conclusion is that given the planned programme of service reviews and accompanying organisational restructures which have been under way for some time now and underpinned by the proposed council tax strategy, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced.

In order to deliver a robust medium term financial strategy given the

- low starting level of council tax to deliver council services when compared to other councils
- high level of up front grant cuts faced by the council
- impact of cumulative capital programme investment decisions
- low level of residual balances
- greater uncertainty over future funding streams
- rising and ongoing pressure on services

a strategy of low level council tax increases is considered to be a more sustainable and financially prudent approach than use of further one off grants which only delay the decisions which need taking.

Recommendations approved by Cabinet will be considered at full Council on 1st March 2012 as full Council is responsible for setting the overall revenue and capital budget framework. At this meeting full Council will also set the Council Tax for 2012/13.

2. RECOMMENDATIONS

Members are asked to approve the following recommendations for consideration by Council on 1st March 2012:-

2.1 The base budget summarised by Service Delivery Unit in Appendix 1

2.2 An increase of 2.5% in council tax levels in 2012/13 (41 pence per week for the average property in the Borough) and a strategy of increasing council tax by 2.5% in future budgets set by the current Administration in order to maintain financial stability and to protect the delivery of front-line services.

2.3 The reinvestment of £2.5m savings from Adult Social Care to offset service pressures being faced by Adult Social Care services in 2012/13 and the release of £0.9m from the proposed corporate inflation contingency in line with the savings proposals included in 2.5. This will set the corporate inflation contingency for 2012/13 at £2.5m

2.4 To consider the feedback from consultation summarised in Appendix 11 and from scrutiny in Appendix 9

2.5 The 2012/13 net savings package of £8.899m (£9.48m gross) from non-staffing budgets and £8.158m (£9.59m gross) from staffing budgets detailed in Appendices 4, 5 and 6 and the savings proposals set out in these appendices for future years.

2.6 The planned savings targets in future years detailed in Appendices 3, 4 and 5.

2.7 The earmarking of the projected one-off funding transfer of £3m as outlined in section 4.3 from the Primary Care Trust (PCT) anticipated to be received in 2011/12 to support the Adult Social Care budget on a one-off basis in 2012/13 following the transfer of significant costs relating to Continuing Health Care cases to the Council from the PCT.

2.8 The earmarking of £2.145m underspends and savings delivered ahead of schedule in 2011/12 as a one-off budget contingency for use in 2012/13. This amount may be increased further should the Council underspend at the end of 2011/12 as currently projected.

2.9 The suspension of the contribution to the single status provision until 2014/15 with an ongoing reduction to this budget of £0.9m to offset the cost of the elimination of fixed point grades and to recognise the reduction in the size of the workforce following organisational restructuring.

2.10 The Education budget position set out in section 4.11

2.11 The statement of the Chief Finance Officer in paragraph 6 (supported by Appendix 8 outlining the robustness of the Budget Estimates and the Adequacy of Reserves.)

2.12 The policy framework for Reserves and Balances outlined in Appendix 8

2.13 The use of £1.39m general balances to support the ongoing revenue budget in 2012/13

2.14 The earmarking of £0.25m of the General Fund balance as a reserve to support greater flexibility in the working of leisure services.

2.15 The revenue implications of the medium term capital programme for the period 2012/13 – 2014/15 set out in the Capital Programme report also on this agenda.

2.16	**To confirm the council's priorities as set out in section 4.5 of this report and note that the Council Plan will be brought to cabinet for consideration during March.**

3. <u>SUMMARY IMPACT ASSESSMENT</u>

<table>
<tr><td rowspan="4">COMMUNITY IMPACT</td><td colspan="2">Do these proposals contribute to specific Priority Plan objective(s)?</td></tr>
<tr><td>Yes</td><td>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.</td></tr>
<tr><td colspan="2">Will the proposals impact on specific groups of people?</td></tr>
<tr><td>Yes</td><td>The proposals contained in this report will impact on specific groups of people. An Impact assessment, on identified savings proposals, highlights equalities, environmental and economic impacts which is included as Appendix 12. Due to the complexity of the budget setting process with a large array of proposals for savings there is potential for a number of small changes to have a large cumulative effect which is detailed in Appendix 12.</td></tr>
<tr><td>TARGET COMPLETION/DELIVERY DATE</td><td colspan="2">A series of borough wide public consultation activities have been undertaken during December and January. The proposals contained in the report were also subject to Member scrutiny during this period. Final proposals will be considered by full Council on 1st March 2012. The final agreed recommendations will be implemented during 2012/13 and future years.</td></tr>
<tr><td>FINANCIAL/VALUE FOR MONEY IMPACT</td><td>Yes</td><td>This report sets out the service and financial planning strategy for the council for 2012/13 and the medium term.</td></tr>
<tr><td>LEGAL ISSUES</td><td>Yes</td><td>This report develops the proposals for the Council's budget and policy</td></tr>
</table>

		framework and have been consulted upon in accordance with the Constitutional budget and policy framework procedure rules that will, in due course result in the Council setting its budget and council tax levels by the March deadline laid down by the Government
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	*This report sets out the strategy framework which includes consideration of the corporate risk register – particularly in relation to the availability of balances.* *Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment.* *The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reduce their environmental impact. The environmental assessment detailed in Appendix 12 (b) provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive.* *The economic impacts of the proposals are detailed in Appendix 12 (c).*
IMPACT ON SPECIFIC WARDS	Yes/No	*Borough-wide impact.*

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 INTRODUCTION.

This report along with the following papers on the agenda covering

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

forms the overall Medium Term Service & Financial Planning framework for the Council and propose the service priorities and budget for 2012/13.

4.2 NATIONAL CONTEXT.

Comprehensive Spending Review:-

The Cabinet's service and financial planning strategy for 2012/13-2014/15 was launched for consultation at Cabinet on 22nd December 2011. This report included details of the Comprehensive Spending Review (CSR) which was announced on 20th October 2010 and which made it clear that local authorities could expect significant reductions to their revenue and capital funding over the four year period covered by the CSR. It was clear from the CSR that Communities and Local Government, the Government department from which the Council receives most of its funding could expect very significant budget reductions and that over a four year period local government faced something in the region of 27% real terms grant reductions compared to an average reduction of 8.3% across all Government departments. These reductions would be in addition to the "in-year" grant reductions made in June 2010, shortly after the general election, which totalled £3m revenue and £1m capital for this Council.

Revenue Support Grant:-

The Government announced its provisional Revenue Support Grant settlement for local authorities for the two years 2011/12 and 2012/13 on 13th December 2010 with a final settlement for 2011/12 being announced on 31st January 2011. The Government announced a revised (but still provisional) grant settlement for 2012/13 for councils on 8th December 2011. The final settlement for 2012/13 was received on 31st January 2012 although details of a small number of grants (which total around £1m in 2011/12 are still awaited). The Council faces a grant loss of £5.6m (7.9%) next year. This reduction is in addition to the grant reductions of £13.6m faced by the Council in 2011/12 and the £3m reduction announced by the Government during 2010/11 with no allowance for the currently high rate of inflation being made by the Government so over the 4 year period covered by the 2010 CSR in real terms grant cuts are expected to total around £40m.

New Homes Bonus

On 1st December 2011, the Council was notified of its provisional New Homes Bonus allocation. This totalled £1.556m but this includes the second year of the "year 1" allocation of £0.615m making the "year 2" allocation £0.941m. These figures had been included in the December Cabinet report and future allocations of New Homes bonus are assumed in projections for future years with a further £0.8m assumed for "year 3" although the allocation will not be known for another year. The allocation for each year is paid for six years and then ceases and is intended to give councils an incentive to permit development of new homes in line with the Government's growth agenda.

Local Resource Review

When the Government announced the results of the Comprehensive Spending Review (CSR) in October 2010 they also announced that the local government finance system would be subject to a fundamental review. This review is known as the Local Resource Review and is likely to see the return of business rate income to local control, although the rate in the pound would still be set nationally with reference to the RPI. At present, councils receive their funding from three main sources: grants from central government, council tax and other income (such as charges made for some services). Part of the grant received from central government is National Non-Domestic Rates (NNDR), commonly known as business rates (collected by local authorities but redistributed by the Government). The Government wants to change the current system to enable councils to keep a share of growth in business rates in their area. This will make councils more financially independent from central Government and is designed to incentivise councils to promote local business growth.

Whilst this general principle is supported by the Council the draft proposals have some potential risks for the Council including:-

- The grant settlement for 2012/13 would be frozen as the basis for future funding of the Council for many years. This means that the damping of Revenue Support Grant in 2012/13 of £1.9m would be frozen and not unwound which would happen over time under the current system representing a significant permanent loss to this area of funding which the Government's own calculations show should be available to support the provision of services to the people of this area.
- Similarly, the Council may not benefit from the growth in population which we expect the 2011 census will confirm compared to the population projections used by ONS and which also significantly reduces the level of Government funding allocated to the people of this area. The Council estimates that current ONS figures understate the population in this area by up to 7,000 people which costs the Council in the region of £2.8m p.a. in lost grant. Again, this loss would have been addressed over the medium term under the current local government finance system but is likely to be perpetuated for many years under the proposed system.
- The risk of reduced income from business rates arising from future recessions, the loss of major businesses from the area or significant appeals against rateable values (which can be back-dated for several

years) would fall on the Council rather than being managed nationally which currently enables issues that would be significant in a local area to be smoothed over a much wider pool. The Government are aware of the potential volatility and therefore potential impact on services that individual councils provide, and may build-in a mechanism to prevent major shocks to local funding levels. However, increased volatility and risk for Councils is inevitable compared to the current system making future projections of income levels just as difficult, if not more difficult, as under the current system. It is also likely that the Council will need to consider increasing the size of bad debts provisions and potentially other reserves to manage the increased risk levels as whilst the current arrangements allow increases and decreases in income from business rates to be smoothed over the country as a whole, in future each council area will need to ensure that it has sufficient reserves available to deal with income shortfalls that arise. This position cannot, however, be assessed until broad details of how the new system will operate are issued by the Government and these are not expected to be available for several months.

In spite of the concerns outlined above, overall the proposed changes are to be welcomed as they reinforce the importance of investment in the local economy. It is not possible to make any assessment of the potential impacts on the Council from the initial consultation document which focussed on general principles for the new finance system rather than specific proposals of how it might work. The uncertainty arising from the Local Resource Review makes projections of the likely level of resource available to the Council after 2012/13 very difficult and any projections beyond this year consequently have a very high degree of uncertainty.

National Policy:-
The revenue support grant (RSG) has already been discussed earlier in the report but as well as setting the framework within which funding allocations for local authorities would be set, the CSR also included announcements that the overall national schools budget would be increased in real terms by 0.1% pa, the introduction of a “pupil premium” and that some additional funding would be made available for social care.

Council Tax Benefit System:-
Major changes to the council tax benefit system coming in to effect from 2013/14 were also announced as part of the CSR. These will see the grant that the Council receives towards the cost of Council Tax Benefit being cut by 10% (around £1.4m pa) with the Government expecting councils to make this reduction in grant good by implementing less generous local Council Tax Benefit rules. This will mean that people moving between local authority areas may be eligible for a given level of Council Tax Benefit in one area but when their application is considered against a different scheme in another local authority area they may be entitled to a different level of benefit, or no benefit, even if the level of council tax is the same. Clearly having many different council tax benefit systems operating around the country will present the national software suppliers with challenges and potentially increased

systems and administrative costs for councils. The expectation that Councils will have these new Council Tax benefit schemes in place from the start of 2013/14 when the necessary legislation won't be in place for some time yet presents significant challenges and a one-year allowance has been built in to the budget projections for 2013/14 in case it is not possible to implement a revised system from this date.

Two other key national policy developments include:

- **Localism Act** –The Act received Royal Assent on 16 November 2011 and has the potential to effect a significant change in national life, passing power to a local level, creating space for local authorities to lead and innovate and giving people the opportunity to take control of decisions that matter to them. It includes five key measures that underpin the Government's approach to decentralisation: Community rights, Neighbourhood planning, Housing, General power of competence and Empowering cities and other local areas. Different parts of the Act will come into effect at different times although the Government are aiming for many of the major measures to come into effect in April 2012;
- **Welfare Reform** – the Welfare Reform Bill sets out the biggest change to the welfare system for over 60 years. It introduces a wide range of reforms, including the introduction of a Universal Credit, a single benefit that will ensure that 'work pays', caps the total amount of benefit that can be claimed and restricts Housing Benefit entitlement for social housing tenants whose accommodation is larger than they are deemed to need.

<u>Autumn Statement:-</u>

The Chancellor, George Osborne, delivered his Autumn Statement on 29th November 2011. It gave a bleak short-term forecast for the UK economy, with growth predictions for the next two years revised downwards significantly – a move that will impact further on public spending. Mr Osborne presented forecasts by the independent Office for Budget Responsibility (OBR) that now indicate the UK's economic growth will be just 0.9% in 2011. He revealed that the OBR has significantly revised down its forecast for growth in 2012 from 2.5% to just 0.7%. He also said that, while government borrowing and debt was falling, it was not doing so 'as quickly as we wished'. He cited the eurozone crisis, rising energy and commodity prices and the 'external inflation shock' as the reasons for these weaker forecasts. According to the OBR, the government is expected to borrow £127bn this year – £5bn more than it forecast in March's Budget. The Chancellor predicted that this figure would be reduced to £24bn by 2016/17.

A number of commentators have said that such downgrades in growth projections and the deficit reduction plan are likely to hinder Britain's economic recovery, despite measures announced designed to kick-start national and regional economic growth. The OBR has, for example, predicted that the number of public sector job losses by 2015 will now reach 710,000.

The OBR had, until recently, predicted that job losses would be limited to 390,000. Michael O'Higgins, Chairman of the Audit Commission has said that a report published in early December jointly with the Local Government Association showed how councils have already reduced headcount by 145,000 jobs because of financial challenges. The OBR also forecast an increase in unemployment from 8.1% this year to 8.7% in 2012 falling to 6.2% by 2016.

The Chancellor identified an additional £1bn to invest in local economic growth through the Regional Growth Fund. To help fund the additional spending, Mr Osborne announced a tight public sector pay regime, with average pay increases for public sector employees likely to be limited to 1% for the two years following the current pay freeze. Whilst the Government does not directly control local government pay settlements, this announcement is likely to influence pay negotiations over coming years. Allocations to spending departments (other than for the NHS and schools) will be reduced by 1% as previously an assumption of 2% had been made to claw this saving back centrally. The Chancellor also announced plans to consider how public sector pay can be made more responsive to local labour markets.

Changes to business rates were also announced including:-

- The extension of the current business rates holiday for small firms by a further 6 months to April 2013,
- The deferral of "60% of the increase (in next year's rise in business rates) to the following two years".

It was also announced that plans for public spending in 2015/16 and 2016/17 will be set in line with the spending reductions over the Spending Review 2010 period extending the current cuts in public spending for at least a further two years.

4.3 LOCAL CONTEXT

Continuing Health Care Funding.
The December Cabinet report referred to savings being made by the PCT as part of the NHS QIPP programme which requires ongoing savings of over £50m locally in this area over a 4 year period. As part of this programme the Telford & Wrekin PCT has set targets to reduce spending on Continuing Health Care (CHC) which funds people with chronic long term health conditions, as benchmarking data indicated the PCT was a high per capita spender in this area. It set about delivering this through reviewing existing clients and removing funding for many although their actual condition has not changed, as well as applying the revised approach to new potential clients. The majority of clients now refused NHS funding then become the responsibility of the Council to fund across the range of vulnerable client groups - the elderly and those with mental health, learning and physical disabilities who were previously agreed as also having significant ongoing health needs.

The Council recognises that some previous CHC funding decisions made by the PCT should potentially have been made differently and directed costs to the Council which could also then have put different care packages in place. The Council has therefore previously set aside additional ongoing funding of around £1.5m for CHCs, already had another £1.3m built into next year's base budget-making £2.8m in total ongoing and is also utilising £2m additional NHS funding transferred to the Council by the Government to promote integrated health & care working. However the scale and speed of CHC cost displacement by the PCT has grown far beyond that planned in PCT budgets. The additional in year pressure has been largely absorbed so far by use of one off funding and other in year savings although a variation is reported through financial monitoring. These one off resources will not however be available in 2012/13 and beyond and thus the continual and rapid rise in CHC costs being moved on to the Council is increasing the budget funding gap for 2012/13 and beyond. Latest projections are that a further £0.6m cost transfer in addition to that projected in the December Cabinet report will occur during 2012/13 and has therefore been built in to the budget projections for 2012/13 onwards.

The Council has however, held very positive discussions with the PCT around the impact this is having on Council budgets and the implications for spending across the local Health and Care economy as a whole. The PCT will therefore ensure one off funding is in place in 2012/13 to mitigate £3m of this impact and further discussions will be held to address the ongoing allocation of CHC costs between the Council and the GP Clinical Commissioning Group.

Therefore, compared to the position reported in December there is a net reduction of £0.4m in 2012/13 in the additional impact of the cost of CHC cases after offsetting the additional support provided by the PCT to social care budgets through section 256 agreements.

Public Health:-
From April 2013, the running of Public Health will transfer formally from the PCT to the Council. A 'shadow budget' will be in place for 2012/13 and the actual transfer of funding will take place in 2013/14. Current indications are that the amount to be transferred will be in the region of £7-8m. p.a. and it is currently assumed that spending by the Council on Public Health from 2013/14 onwards will be in line with whatever allocation is received. A wide range of services will transfer in to the Council and are likely to include health protection plans, sexual health, national child measurement programme, Health Check and public health advice to NHS commissioners.

Savings Programme:-
Clearly the council has been planning for budget reductions for some time and work is well in hand in developing a new more cost effective organisational structure. The latest proposals for restructuring senior management which were announced in November 2011 have been confirmed following consultation and see the number of senior managers having been cut by more than half over the last three years as well as significant reductions in the pay

of the most senior managers. A comprehensive programme of service reviews and staff restructurings is in progress and is already generating significant savings in the current financial year. As part of this programme all Heads of Service have been set a target of identifying proposals that would reduce service costs by 20% although it has been agreed to recognise the pressures faced by the Council's Children's safeguarding service and defer the 20% staffing savings target in this area to 2015/16, i.e. beyond the period covered by the medium term financial strategy, in order to enable major transitional changes in service design and delivery, currently in progress, to take full effect.

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

- Higher unemployment – April 2010-March 2011, (Telford & Wrekin), 9.8% unemployed, compared to 7.5% the previous year. For young unemployed (16-24) the rate was 27.4% compared to 23.2% the previous year.
- Limited new house building, restricted availability of mortgages and slow housing market – in October 2010 mortgage lending in the UK was at a 10 year low. The Council for Mortgage Lenders has stated in October this year that the underlying picture has not changed dramatically and that gross mortgage lending has remained flat, despite a modest lending revival in recent months.
- Increase in Council Tax and Housing Benefit applicants – the number of claimants for Housing and Council Tax benefits is at an all time high with a 10% increase over the last 2 years (up to April 2011). So far this year our benefit expenditure is more than £2.8m higher than at the same point last year In addition, there has been an increase of over 5,000 more 'change of circumstances' assessments since the same point last year.

The Council has a key role to play in mitigating the effects of the economic downturn and planning for recovery, through supporting the growth of key economic sectors, promoting the Borough's business and leisure tourism offer, and creating a 'business friendly environment' with available employment land and an effective infrastructure. The Senior Management restructure proposals will help the council respond effectively to this agenda.

In recent years, we have focused on securing long-term economic prosperity. The continued development of the Town Centre and regeneration of the Borough Towns are essential elements of our future budget strategy. It is important that we continue to show confidence, leadership and investment in the future of the area.

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

- **Children's Social Care** – in line with regional trends, we continue to have an increase in numbers of Children in Care (CIC). There has also been a significant increase in children remaining in care for longer periods to 2010/11. Although there has been an improvement more recently in the duration that children remain in care, this continues to lead to significant financial pressures.
- **Adult Social Care -** we have also been experiencing increasing demand for our Adult Social Care Services as a result of increasing numbers and life expectancy of older people and increasing complexity of care. This is in addition to the transfer of significant Continuing Health Care costs from the PCT as highlighted above.

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

<u>Investments</u>:-
In July 2011, the Council approved the 100 day budget review for consultation which set out the principles that guide the development of our budget and our investment and savings programme. Clearly given the context of very significant cuts in Government grants and the uncertainties over the impacts of the Local Resource Review, the scope for additional investments is very limited. However, areas where additional investments have been made in 2011/12 or are proposed for future years include:

- Adult and children's social care services;
- Maintaining roads and pavements,
- Environmental improvements in Brookside;
- The Council's Building Schools for the Future programme;
- Telford Ice rink – one of the most used leisure facilities in the Borough receiving around 200,000 visits pa;
- The Regeneration of Telford Town Centre.

4.4 UPDATED POSITION.

Since the launch of the Cabinet's service and financial planning strategy for 2012/13 - 2014/15 at Cabinet on 22nd December 2011, extensive public consultation has been undertaken on the service and financial planning proposals. The results from the consultation are summarised in Appendix 11. Following comments received during the consultation process a number of changes are proposed to the package of savings proposals. These are detailed in section 4.7 of the report.

The Budget & Finance Scrutiny Committee have reviewed the proposals at meetings held during January and early February and their views are reported in Appendix 9. The Council's Constitution states that any alternative budget proposals from Opposition groups have to be considered by scrutiny but no alternative proposals have been put forward for consideration.

The 22nd December Cabinet report highlighted that information relating to some relatively small grants had not yet been made available by the Government. Some information is still awaited so the assumptions used in December have not been revised. However, the final Formula Grant details for 2012/13 were announced on 31st January 2012 and saw no change in the allocation for 2012/13.

Budget Assumptions:-
The key assumptions used in preparing the December report have been reviewed and only two changes made which relate to:-

1. Reducing the provision for pay awards from 2013/14 from 2% to 1% to reflect the Chancellor's announcement as part of the Autumn Statement of a guideline that public sector pay awards should be around 1% following the end of the current pay freeze. No central provision will be made for pay awards and the cost will therefore have to be managed within service budgets through natural wastage and vacancy management. These adjustments reduce the projected budget gap from 2013/14 by £0.96m pa. The key budget assumptions are detailed in Appendix 8. Whilst this change in assumptions impacts on projections for future years, there is no impact on the budget for 2012/13 as no pay award is assumed in this year. If any pay award is agreed the cost will have to be met from natural wastage within service areas.

2. An assumption that fees and charges budgets will be increased by an average of 1.5% across the board for the medium term planning period over and above any increases already put forward as savings proposals. The first increase will be applied from mid 2012/13 and then annual increases will be applied from the start of future financial years. A 1.5% increase in fees and charges budgets would generate around £0.66m pa in a full year. Clearly it will not be possible or desirable to increase some fees and charges budgets and so the rate of increase could be nil in some areas provided that higher than average increases are applied in other areas. Proposals will be developed for consultation where necessary following a review of income budgets.

Potential Investment in Ironbridge Gorge Stability Project:-
The Council is in discussion with the Government over funding the cost of works to stabilise parts of the Ironbridge Gorge and as set out in section 5.1 of this report, the costs of the Council's counter-offer to the Government have been built in to the budget strategy.

4.5 OUR PRIORITIES

In response to what the community have told us during extensive engagement activities over the summer period and the challenges facing the Borough, the Council has identified a series of priority outcomes to inform both short to medium term planning and also longer term thinking about the future shape of the Borough to 2020. These are:

1. ***A growing local economy to create jobs***
2. ***Improved 'life-chances' for all***
3. ***Vulnerable children and adults are protected***
4. ***Clean and well maintained neighbourhoods and streets***
5. ***Residents feeling safe and proud of where they live***
6. ***Housing choices to meet the needs of all***

As well as these community focussed priorities, we have identified a priority outcome for the Council as an organisation, that is:

7. ***A Co-operative Council working with the community***

Delivering Our Priorities:-
The Council is clearly facing very significant financial constraints and has many competing pressures for the funding that is available. It is therefore essential that a clear set of priorities is developed in consultation with the community and clearly articulated. Over the summer, a great deal of consultation took place to inform these priorities and also about what we want to have achieved by 2020 and how this will shape the future of the Borough – our "vision". In articulating our priorities, we have also highlighted our most important short to medium term actions to deliver them. More information will be included in the Council Plan which will be considered at Cabinet during March.

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

4.6 ENGAGEMENT FEEDBACK

The service and financial planning strategy has also been informed by a wide-ranging engagement programme with the local community. This started in the summer and continued throughout the remainder of 2011. Details of the results from the initial phase of engagement activity were included in the December report to Cabinet. During January extensive consultation took place on the draft service and financial planning proposals. Key points from the consultation responses are highlighted below with further details included in Appendix 11.

Between August 2011 and January 2012 we have consulted with and received feedback from approximately 7,442 contacts.

Firstly, the draft strategy was informed by extensive consultation exercises during August, September and October, involving approximately 3,000 contacts. Consultations included:

100 day Budget Survey - throughout September we asked local people about the proposed changes to the 2011/12 budget. A two sided questionnaire focused on the proposals that would have most of an impact on the community.

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Savings Suggestions - this ongoing initiative gives local people the opportunity to tell us how they think the Council could save money, do things differently or more efficiently. Suggestions also include those put forward internally by staff.

Budget Calculator - this online tool gave people an opportunity to have a go at balancing the Council's budget against their own priorities, seeing the impact these changes had on Council Tax levels and possible changes to service delivery. Participants were also able to adjust levels of income (fees and charges) and borrowing and were asked to prioritise areas of capital spend.

Shaping the Future - this Borough wide consultation asked approximately 2,800 local people what matters most to them about the Borough, what are the main problems/worries for people and what they felt needed to change. The results of this major programme of public consultation have influenced the draft priorities.

Details of the above engagement activities and results are included in Appendix 1 of the Service and Financial Planning 2012/13 – 2014/15 report to Cabinet in December 2011.

Since the draft strategy was approved by Cabinet on 22 December 2011 the Council undertook further extensive consultation. We tried to ensure that as many people as possible, across the Borough had the information and the opportunity to get involved and give their views. Consultation methods included:-

- A consultation pull out document 'the budget challenge' summarising the main budget proposals; distributed through "Your Voice" with the aim of informing every household in the Borough. The pull out included a tear off section inviting people to let us know what they think about options put forward around the council tax;
- A dedicated budget page on the Council's website which gave people a range of opportunities to get involved and give their views on the budget strategy, including the draft priorities. Opportunities include use of Facebook, Twitter, and invitations to write in, ring in or text in views and comments;
- A full online budget survey and hard copies distributed in libraries and First Point;
- Survey sent to all members of the Community Panel;
- Meetings with a range of forums and groups;
- A well attended open public meeting;
- Information outlining the budget consultation and how people can get involved distributed to a wide range of people including town and parish councils, the business community and the voluntary and community sector;

- Surveys distributed through a wide range of networks including Children Centres, Early Years Settings, FE Colleges, Faith Organisations, Medical Centres and resident groups.
- Formal consultation with the Council's Budget & Finance Scrutiny Committee which includes an independent co-opted member of the public and councillors from both the controlling and main opposition groups.

The number of responses received are summarised below:

Survey responses = 1,618
- Hard copies received = 560
- Online surveys completed = 1,058

"Your Voice" = 776
- Cut out from 'Your Voice' = 776

Comments, views and ideas = 65
- Email = 27
- Letter = 5
- Facebook = 2
- Twitter = 15
- Via Council Tax form = 13
- Expressed a view on council tax options by email = 3

Forums and groups = 313
- Parish Forum = 13
- Senior Citizens Forum = 210 (approximately)
- Deaf Club = 50 (approximately)
- Parent and Carers Forum = 5
- Young People's Forum = 12
- Rural Forum = 12
- Telford Business Forum = 11

Public budget consultation event = 68+
68 people signed in (plus a number of additional Councillors)

Savings Suggestions to date = 1030

Town and Parish Councils - discussions with Town and Parish Councils commenced at a Forum meeting held on 13th October 2011 and were subsequently followed up with a letter to all Town and Parish Councils from the Cabinet Members for The Environment, Co-operative Council & Partnerships and Resources & Service Delivery offering meetings with any Town or Parish Council interested in discussing options for a number of environmental services and a letter targeted to those Town and Parish councils impacted by proposals for changes to the opening hours of some libraries. Further letters were sent to Town and Parish Councils outlining the ways in which they could get involved in the budget consultation. In January the Council attended the Parish Forum.

Council Tax Consultation
The Council wanted to find out from local people what they thought about Council Tax. It was recognised that household budgets are under strain and accepting the Government's one-off grant is an attractive offer in the short-term. However, this would increase financial pressure on the Council and the likelihood of further cuts to services in future years. The Council asked local people to tell us their preferred option out of the three options set out below.

In total 2,287 people responded to the Council Tax question. Results show that:

37% of people (848 people) opted for Option 1 ("Accept the Government's grant and freeze council tax next year. This one year grant is the same as a 2.5% rise in council tax. The Council says taking it will store up future problems, adding an extra £1.4million to the budget shortfall in 2012/13 and forcing even bigger rises in council tax or deeper cuts to services the following year. Change on your council tax Band B bill £0.00/week")

37% of people (844 people) opted for Option 2 ("Decline the one off grant and increase council tax by 41p per week (2.5%) for the average property next year to avoid additional service cuts or a higher council tax rises in 2013/14. Change to council tax bill Band B 41pence/week")

26% of people (595 people) opted for Option 3 ("Decline the one off grant and increase tax by 58p per week (3.5%) next year for the average property and then either remove some of the proposed service cuts or reduce the council tax rise in 2013/14. Change on your council tax Band B bill 58pence/week").

In total 63% (1,439 people) voted for either option 2 or option 3 i.e. some level of increase in council tax.

As part of its decision making process, the Cabinet considered the responses to the Council Tax consultation and in the light of the response from the community, have decided to recommend to Council a tax increase of 2.5% next year. The Council will plan on the basis of increases at this level in forthcoming years.

Other key results of the budget consultation include:-
- The most important guiding principle for people is that of 'find better ways to run services and avoid wasting money'.
- 69% net of people agreed with our plans for Children and Family Services.
- 83% net of people agreed with our plans for Adult Services.
- 82% net of people agreed with our plans for Environmental Services.
- Investments – 13% net of people agreed with the new capital programme which includes improvements to Brookside and 82% net of people agreed with adult services proposals.

- Cuts most supported include Street Lighting Efficiency Programme, Increase independent travel and removal of concessions on golf for all groups.
- Cuts least supported include an annual increase in council owned car parks in Ironbridge and Telford Town Centre and the review of the number of routes gritted in ice and snow from next winter.
- All draft priorities received net agreement of 57% or over. Growing the local economy to create jobs was the priority with the highest net agreement.

(Net agreement is calculated as those agreeing with a question minus those disagreeing).

Details of the results of the above consultations can be found in Appendix 11

4.7 <u>RESPONSE TO CONSULTATION RESULTS.</u>

Cabinet members would like to thank everyone who got involved in the consultation exercise. In general there were relatively high levels of support for the budget proposals set out in the December Cabinet report.

Only 5 of the savings proposals for 2012/13 received negative net satisfaction ratings (i.e. more people were against the proposal than those in favour) during the consultation exercise. These proposals and the cabinet's proposed response to them are detailed below:-

<table>
<tr><th></th><th>Agree

%</th><th>Disagree

%</th><th>Net

%</th><th>Saving 12/13
£'000</th><th>Saving 13/14
£'000</th><th>Saving 14/15
£'000</th></tr>
<tr><td>Revise charges for Resident Permit Scheme and Season Tickets in Ironbridge</td><td>33</td><td>38</td><td>-5</td><td>19</td><td>19</td><td>19</td></tr>
<tr><td colspan="7">Revised Proposal -
• To retain free parking permits for residents of Ironbridge and revise charges for residents visitor permits – from £15 to £25 and seasonal full permits from £35 to £55
• Free drop off and pick up parking for parents will be retained
• The administrative process for issuing permits will be reviewed.

This will reduce the saving generated by £17.5k pa</td></tr>
<tr><td>Increasing charges from £8 to £12 per hour for low level support to vulnerable adults, who do not meet the eligibility threshold for community</td><td>36</td><td>43</td><td>-7</td><td>117</td><td>117</td><td>117</td></tr>
</table>

<table>
<tr><td>care support</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="7">Revised Proposal -
• To phase the charge in by increasing to £10 per hour with effect from 1st April 2012 and to £12 an hour (so that the service is no longer subsidised by council tax payers) with effect from 1st October 2012.

This will reduce the saving by £29k in 2012/13</td></tr>
<tr><td>Reviewing the number of routes gritted in ice and snow from next winter</td><td>37</td><td>50</td><td>-13</td><td>50</td><td>100</td><td>150</td></tr>
<tr><td colspan="7">Revised proposal
• To retain the current primary and secondary winter maintenance routes and salting/gritting standards.
• To find operational efficiencies through greater use of new technology and highway thermal monitoring of £50k pa

There will therefore be no net reduction in the saving for 2012/13 but a reduction of £100k ongoing by 2014/15.</td></tr>
<tr><td>Increase parking changes annually by 10% in Council owned car parks in Telford Town Centre</td><td>29</td><td>59</td><td>-30</td><td>4</td><td>8</td><td>8</td></tr>
<tr><td colspan="7">No change is proposed on the basis that the Council only owns one small car park (56 spaces) within the Town Centre.

The charges for this small council owned car park during 2012/13 will be:-
Up to 1 hour = 80p (previously 70p)
Up to 2 hours = 1.40 (previously 1.30)
Up to 3 hours = 2.20 (previously 2.00)
Up to 4 hours = 2.80 (previously 2.50)
Over 4 hours = 3.40 (previously 3.10)

The Council currently provides 2,000 free parking spaces across the area and there are no plans to impose any charges on these spaces.</td></tr>
<tr><td>Increase parking charges annually by 20% in Council owned car parks in Ironbridge</td><td>24</td><td>62</td><td>-38</td><td>16</td><td>32</td><td>32</td></tr>
<tr><td colspan="7">Revised proposal</td></tr>
</table>

Charges will be increased as follows (20% rounded to the nearest 10p):-

2012/13 <u>Market Square Car Park</u> (16 spaces)
Up to 30 minutes = 50p (previously 40p)
Up to 1 hour = 90p (previously 70p)
<u>Other Ironbridge Car Parks</u>
Up to 2 hours = 90p (previously 70p)
Up to 3 hours = 160p (previously 130p)
Over 3 hours = 170p (previously 140p)
2013/14 <u>Market Square Car Park</u> (16 spaces)
Up to 30 minutes = 60p
Up to 1 hour = 110p
<u>Other Ironbridge Car Parks</u>
Up to 2 hours = 110p
Up to 3 hours = 190p
Over 3 hours = 200p

There will be a minor reduction in the saving which is currently being assessed.

Two other savings proposals attracted strong comments. These were:-

“The introduction of a pavement licensing scheme with a £50 charge to the businesses concerned”. In response to consultation, it is not now proposed to introduce this scheme. This will reduce the savings totals by £2.5k pa by 2013/14, however the council will now work with Wellington Town Council, Shropshire Chamber of Commerce and traders to work up a system whereby shop traders, residents and all partners are happy with the look and feel of the high street.

“The closure of the Newport Community Recycling Centre (CRC)”. As part of the consultation process discussions have taken place with representatives of Newport Town Council to explain the financial basis behind the proposal and to establish whether they wanted to consider funding the operation of the CRC. The outcome of these discussions is that in the present financial climate both the Borough Council and Newport Town Council are not in a position to fund the facility and therefore the original proposal to close will stand. Full use of the Council’s Kerbside Service for dry recyclables and Green Waste will help mitigate the closure. From April, three CRC’s throughout the Borough will remain open on Friday, Saturday, Sunday and Monday and on Tuesday, Wednesday, and Thursday there will be one CRC available for Borough residents.

In total these changes have the effect of reducing the savings originally proposed as follows:-

2012/13 **£'000**	2013/14 **£'000**	2014/15 **£'000**
68	70	120

4.8 FINANCIAL POSITION

2011/12 Budget Strategy:-
The current year's budget was based on funding from the first year of a very challenging 2 year grant settlement and was dependent upon the use of over £9.2m of one-off resources. This is a position which clearly could not be sustained and was therefore dependent in future on either very significant cuts or a combination of still significant cuts with some increase in charges including council tax increases.

Following the Comprehensive Spending Review, the public sector faces a period of unprecedented financial constraint and uncertainty in the level of resources available in future years which brings significant challenges at a time when demand for many local government services is increasing. Projections of funding available for the Council beyond 2012/13 are extremely difficult and have a high degree of uncertainty given the Local Resource Review. However, it is certain that the Council faces a prolonged period of significant pressure on resources despite the recession putting greater demands on the Council's budget including:

- increased demand for benefits, welfare services and homelessness services
- the prolonged historically low base rate of 0.5% impacts on investment returns (although reduces the cost of short-term borrowing)
- the downturn in the housing market, with fewer houses being built, affects planning and building control fees
- Income from the Property Investment Portfolio has also reduced

The Council faces many other challenges including pressure on childrens' safeguarding and adult care budgets. However, despite these uncertainties, the Council must now conclude its service and financial planning process and roll the three year strategy forward.

All this is against a background of relatively low existing council tax levels locally. Telford & Wrekin Council has one of the lowest council tax levels in the country. We have the lowest council tax in the Midlands region for the services that this Council provides (£129 lower than the average at band D and £332 below the highest in the Midlands region) and we have the sixth lowest council tax out of all unitary authorities across the country. This brings challenges in balancing the priorities for supporting pressurised existing services such as Children's and Adults social services, alongside the pressure caused by significant grant reductions as the Government have not taken account of comparative levels of council tax in determining the grant reductions that are being made to individual councils.

A summary of the 2012/13 base budget is attached at Appendix 1 while Appendix 2 shows year on year movements from the 2011/12 budget.

4.9 EQUALITY IMPACT ASSESSMENT

Equality Impact Assessment is a tool that is used to ensure our decision making takes into consideration the protected characteristics with regard to the General Equality Duty (GED). In short we must demonstrate that we pay due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations.

We have assessed and analysed the practical impact on those whose needs are affected by cuts or changes. We have adopted a proportionate approach that takes into account the relevance of a proposal with regard to equality. This is a measured response recognising that our resources are best aimed at dealing with those proposals that could have a more significant impact.

In order to accomplish this we have followed a process designed to stream proposals and ensure that they are fully explored;

- Initially a pro-forma was issued to Heads of Service asking for details of saving proposals and any impacts that may be experienced by service users.
- When compiled into one place a screening exercise was conducted by the Equalities Team, to identify possible further requirements for impact analysis and/or service user engagement for the next financial year's budget savings. This list was agreed by the Policy Review Board.
- The Community Engagement and Equalities Team worked with identified lead officers to investigate the proposals confirming the extent of the equality implications and service user engagement scope.
- For proposals where implications have been identified and are at a sufficiently developed state a proportionate impact analysis has been undertaken. Where a proposal was still at a very early stage a plan has been put in place to ensure delivery of equality impact analysis during its development.
- The Policy Review Board and the relevant lead Cabinet Member and Head of Service confirmed and agreed the service user engagement scope and equality implications.
- Details of the process for identifying further equality impact assessments and service user engagement was considered by the Budget & Finance Scrutiny Committee at their meeting held on 15th November 2011.
- A summary of the service user engagement scope and actions are detailed in Appendix 2 of the Service and Financial Planning 2012/13 – 2014/15 report to Cabinet on 22 December 2011.

- Following the close of budget consultation on the draft strategy at 31 January 2012, Cabinet and appropriate Heads of Service considered the results.
- Equality Impact Assessments were updated with regard to the consultation and mitigating actions sections.
- There are a range of positive and negative equality impacts identified within these savings proposals. Actions to mitigate and enhance these impacts have been identified where appropriate; detailed in Appendix 12

Due to the complexity of the budget setting process with a vast array of proposals for savings there is potential for a number of small changes to have a large cumulative effect. An equality analysis of the overall impact of the budget has been completed and can be found in Appendix 12.

Overall there is an advancement of equality of opportunity for example realigning resources to take into consideration individual needs at an early stage and more efficient ways of working. The overall analysis also highlights some of the areas where little information about potential impacts is known and suggests a number of actions that seek to fill this gap.

No significant residual negative impacts will remain when the outline actions are complete, demonstrated in Section 2 Impact Assessment, Appendix 12.

The analysis will be reviewed and monitored over the full period covered by this report to ensure no unidentified impacts occur and positive progress is maintained.

4.10 ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENTS

Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment.
The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reducing their environmental impact.

The environmental assessment detailed in Appendix 12(b) provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive.

An economic impact assessment has also been undertaken for those proposals that have a significant individual economic impact and is included as Appendix 12(c), identifying mitigating measures that will be undertaken to offset those impacts.

4.11 SCHOOLS BUDGET SETTLEMENT

The Education settlement confirmed that, as announced as part of the consultation on School Funding, the current methodology for funding for schools through the Dedicated Schools Grant (DSG) will continue in 2012-13. The basis of the DSG allocation will be kept at a flat cash per pupil figure. The flat cash per pupil figure for Telford and Wrekin is £4854.50

The Department will continue with arrangements to protect local authorities with falling numbers to ensure no Council loses more than 2% of its budget in cash terms. Although the overall schools budget will stay at the same level on a per pupil basis before the addition of the Pupil Premium, the actual level of each school's individual budget will vary either because they have fewer pupils or where there are local changes to funding distribution. The Government will therefore continue with arrangements to protect individual schools from any significant budget reductions by applying a Minimum Funding Guarantee that ensures no school sees more than a 1.5% per pupil reduction in 2012-13 budgets (excluding sixth form funding) compared to 2011-12 and before the Pupil Premium is added.

In 2011/12 the Government gave all Local Authorities a one year Dedicated Schools Grant in the expectation that following consultation on School funding arrangements a changed methodology for funding would be implemented. This consultation was carried out during the year in two phases, the second phase closed in October and the summary of responses was published shortly after the settlement. The DfE included only a short note on the next steps:

"The Government is grateful to all those who have responded to the important issues raised in the consultation. It recognises that there is a good deal of consensus around some proposals, such as the factors to include in both any national and local formulae, and the need for careful transitional arrangements. However, the responses also reflect a variety of views over some of the key aspects of the system. The Department is now working on developing further proposals in light of the responses."

The future outlook for Telford &Wrekin school funding will be dependent upon the results of the government's changes to national school funding. Given the comparatively low level of funding per pupil currently allocated to Telford & Wrekin, changes may potentially lead to a better settlement for schools in the area although without more detailed proposals this cannot be certain. Whilst the earliest date for the introduction of a new funding system is 2013/14, it is currently unclear when exactly it will be introduced given the response to timescales for introduction within the consultation was varied. However, it is likely that any transitional arrangements would reduce the impact for some years after the new system is introduced as with no additional cash in the system apart from the pupil premium, any change in this spending period will create turbulence in the system with little or no money available for protection to cushion any losers.

Compared to general local authority funding, school budgets have been comparatively protected, with a cash frozen per pupil budget in 2011/12 supplemented by a pupil premium of £488 for each pupil eligible for free school meals and £200 for each pupil from a service family. Whilst the flat cash per pupil allocation continues into 2012/13, the national funding for Pupil Premium will be doubled in 2012/13 compared to 2011/12 and will total £1.25 billion – £1.2 billion for the Pupil Premium to schools and £50 million for a new summer school programme to help the most disadvantaged pupils make the transition from primary to secondary school. Further information about the summer school programme, including how schools can access funding, will be made available in coming weeks. The per pupil allocation payable to schools for the premium will increase to £600. Currently, the premium is worth £488 and goes to children who are currently on Free School Meals, service children and children in care who have been looked after by local authorities for more than six months. The DfE have decided, for 2012/13, to increase the number of children eligible for the premium to any who have been eligible for free school meals in the last 6 years. It is expected that nationally over half a million additional children will benefit from this change. Telford and Wrekin schools currently receive an additional £2.2m in respect of Pupil Premium.

Early illustrative figures provided by the DfE indicate an estimated figure of £4.6m in total for Telford & Wrekin schools in 2012/13, this figure will not be confirmed for some time when actual pupil detail and eligibility levels are known. Pupil Premium is a mechanism to focus funding on disadvantaged children and in that respect tends to be largely attributed to schools with higher levels of deprived pupils.

Whilst pupil numbers are stabilising in Telford &Wrekin's primary sector, they continue to fall in the secondary sector, resulting in some comparatively small and shrinking schools having to cope with year on year reductions in funding. Pupil numbers reduction, however, is not significant enough across the authority to reach the cash floor of 2% set by the Government. Early estimates for pupil numbers to be used as a basis for the calculation of the Dedicated Schools Grant (DSG) in 2012/13 indicate a net fall of 140 pupils across the school sectors which would result in approximately £680k reduction in grant. Final funding allocations will be based on the January pupil census. Any reduction in funding would add to the pressures already being experienced in some schools with the need for them to make difficult decisions to address any shortfalls. The characteristics of some of those schools affected may not necessarily meet the criteria to attract significant additional Pupil Premium funding. The implication of cash frozen funding per pupil plus pupil premium is that if our local funding formula remains unchanged, less deprived schools will see year on year real terms reduction in funding, as the modest increases in funding via the pupil premium for such schools will be less than inflationary pressures.

The loss of DSG funding associated with pupil numbers also has an impact on the amount of funding retained by the Council for Education services as does any conversion of a maintained school to Academy status thus adding further pressure to the Authority, the scale of which will depend on the pupil count and the number of schools converting.

The DfE continue to encourage schools to convert to academies and in addition to the loss of Dedicated Schools Grant related to converting schools they also introduced a national top slice of all Councils' formula grants to reflect the transfer of statutory duties and responsibilities from Local Authorities to Academies. A DfE consultation undertaken in the summer on this top slice had indicated a potential increase in the top slice for 2011/12 and 2012/13 as more schools had converted to Academy status nationally than expected. A new consultation following an assessment of the earlier consultation's responses was launched on settlement day indicating that the Minister was 'minded to' make no changes to the top slice amount already identified in 2011/12 and propose a more accurate reflection of the impact of academy transfers on an authority by authority basis for 2012/13. The latter will be achieved by comparison of the top slice to the Council's budgeted expenditure that would be deducted under a 'per pupil in academies' calculation. A statement showing this comparison will be published in January 2013. If the top slice for a local authority was more than the per pupil amount, the authority will be refunded the difference, if less than a cap at the level of the original top slice will be applied. This means at a minimum there will be no change to the Council's current position. This consultation closed on 12th January 2012 and the final outcome is yet to be announced.

5.0 OUR STRATEGY

The Council's service and financial planning strategy for 2011/12 was based around a number of guiding principles that were revised as part of the 100 day budget review. These revised principles, were consulted on following the approval of the December 22nd Cabinet report and received high levels of endorsement (see Appendix 11 for full details). They are:-

- Develop spending plans that are based on and address the community's needs and priorities;
- Be open and transparent in how resources are spent across the Borough, but target spend at issues and areas where needs are greatest;
- As a Co-operative Council, involve the community in the budget-setting process and in identifying new ways of delivering services that ensure that needs in the Borough continue to be addressed;
- Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services and protecting services from cuts;
- Deliver efficiencies and savings, as far as possible minimising the impact on the quality of services, particularly through improving our approach to procuring goods and services;
- Look for external investment e.g. Government grants, to address priorities;
- Set aside some additional money to deal with any unforeseen circumstances caused by the current economic situation;

- Take a responsible approach to the use of Council reserves that balances a need for financial prudence and sustainability with the need to maintain and protect important frontline services;
- Where possible cut the Council's reliance on borrowing for some capital schemes so that expenditure on debt repayments can be reduced;
- Sell some of the Council's land and property to reduce borrowing, cut running costs, and – where there is a strong business case – to fund priority facilities and schemes.

To identify savings and efficiencies, we have been carrying out a rolling programme of restructuring and service reviews across all budgets. During 2012/13, we plan to deliver £9.48m gross of savings from non-staffing budgets. Some of the value of these savings "leak" so that the benefit arises on the capital account or Dedicated Schools Budget rather than the Council's main General Fund revenue budget so the net value of these savings to the Council's main General Fund revenue budget net of "leakage" will be £8.899m. Our proposed non-staffing savings package is shown in Appendix 6. In addition to these savings from non-staffing budgets, the Council also plans to make further savings from staff restructurings of £9.587m gross (£8.158m net) in 2012/13.

A key budget principle is to 'deliver efficiencies and savings, as far as possible minimising the impact on the quality of services', therefore we have prioritised identifying savings options that will not impact on services delivered to the public.

Our non-staff savings strategy has particularly focused on two main areas:

- Improving procurement – (£2.18m gross in procurement savings identified for 2012/13) - through a combination of re-tendering contracts, reviewing and robustly re-negotiating existing contracts and making greater use of framework agreements;
- Driving down non-staffing costs that have minimal impact on service delivery, such as stationery, postage and hospitality (£3.88m gross in operational efficiencies identified for 2012/13) – by reviewing and challenging budgets 'line by line' to ensure that we have exhausted as many options as possible before considering changes or reductions to services;

However, due to the scale of the budget gap, we have no option but to consider some savings that will impact on services. Our starting point for identifying savings options has been the principle that 'our spending plans are based on and address the community's needs and priorities'. In other words, our strategy is as much about defining what we can do as what we cannot.

We have considered the views and suggestions of local people and key outcomes for the Borough:

1. ***A growing local economy to create jobs***
2. ***Improved 'life-chances' for all***
3. ***Vulnerable children and adults are protected***
4. ***Clean and well maintained neighbourhoods and streets***
5. ***Residents feeling safe and proud of where they live***
6. ***Housing choices to meet the needs of all***

As well as these community focussed priorities, we have identified a priority outcome for the Council as an organisation, that is:

7. ***A Co-operative Council working with the community***

Our strategy is to avoid 'quick-fix' solutions in services that are critical to the delivery of these outcomes, such as Children and Families, Environmental Services and Adult Social Care. Wherever possible, we are focusing on planned, long-term, positive service changes, as opposed to withdrawing services and closing facilities.

For Adult Social Care, we plan to radically change services to enable and reable people to live as independently as possible and to give them more choice and control over how their needs are met. A key element of this service re-design will be the shift towards re-ablement; helping ill or disabled adults to learn or re-learn the skills for daily living and using equipment to live more independently. Re-ablement will help people realise their full potential and promote independence, whilst also releasing savings from long-term care budgets over time. Although not appropriate in every case, we expect that the vast majority of people will go through a short period of re-ablement, before their need for ongoing services is assessed and that this will result in significant savings.

Our long-term strategy for Children and Families is about more support for people in the very early stages of difficulties and more intensive, targeted help for families with more complex needs. These services in combination will help to reduce the pressures on and costs of child and adult protection services and wider Council services. At the same time, we will continue to focus on reducing the number of expensive external foster care placements.

For both Adult and Children's Services, we will also improve customer access, so that we can resolve more enquiries at the first point of contact, signpost people to sources of community support and develop a comprehensive menu of self-service options accessible via the Council's Website that will allow people, who are able and willing to, to help themselves.

Looking at Environmental Services, our long-term strategy is to continue to offer a universal, defined standard of environmental maintenance across the Borough, with additional resources targeted at areas of greatest need. We will proactively engage with Town and Parish Councils to look at opportunities to work co-operatively to raise environmental standards at a local level. Building on the positive recycling performance across the borough we will continue to work with residents and contractors to reduce costs on waste collection and disposal, whilst retaining high quality residential services.

In terms of our restructuring programme, our priority will be to keep compulsory redundancies to a minimum. We will continue to seek applications for voluntary redundancy through Service Area restructures and maximise every opportunity to redeploy people who might otherwise be made redundant. At the time of drafting this report:-

- 1,000 staff had been redeployed
- 351 had taken Voluntary Redundancy and
- 14 employees had been made Compulsorily Redundant

The introduction of the new Flexiwork Deal gives employees greater choice and influence over their working hours, for example the opportunity to reduce their working hours or take additional unpaid leave. This demonstrates that our approach is about working in a co-operative partnership with employees, particularly as these flexible working opportunities will not be imposed.

An enhanced Redeployee Support Programme has been made available to employees under notice of compulsory redundancy through the additional £600,000 allocated in the 100-day budget. This will provide personalised support and training for employees in this position thus enabling them to explore alternative options such as career change, developing key skills or self employment.

5.1 INVESTMENTS.

Our strategy is based on the principles of 'Developing spending plans that are based on and address the community's needs and priorities' and "Be open and transparent in how resources are spent across the Borough, but target spend at issues and areas where needs are greatest".

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

Our capital investment programme for the next 3 years is set out in the Capital programme report elsewhere on this agenda. The BSF programme has been reviewed and revised proposals were agreed at Cabinet on 10th November 2011. The impacts of this review are incorporated in these budget proposals as is the investment in the Ice Rink agreed at Cabinet in October 2011.

Brookside:-

The proposed capital programme includes £6.15m in respect of improvements to Brookside. This proposal received a net satisfaction rating of 13% during the consultation process despite being limited to one part of the Borough. The Brookside area forms part of the Cooperative Council's pilot investment area. Work has already started with many avenues of investment and support for the Brookside area since May 2011. The proposed regeneration will further support the Council's priorities to deliver significant change within Brookside. The first phase of the proposal relates to Brookside local centre. The existing shops, youth and community facilities are of very poor quality and require major investment to deliver a high quality development. The existing Brookside Local Centre was constructed in the form of a dark covered square of inward facing shops and community facilities. The layout is poor, the public spaces around the centre require investment and the facility is set away from main roads and through routes. The importance of the Local Centre to residents was evidenced in a 2008 survey in which over 90% of respondents agreed that the Centre needed to be improved with new shops and better facilities for young people. Recent engagement through the pilot has identified that improvement of the local centre continues to be a high priority to residents. The proposal will be developed with the local community and could include the following:

- Activities (community, retail and social) could be grouped together in one area in order to create a proper focus and 'heart' for the Centre of Brookside. The grouping of facilities could be around an area of high quality public realm.
- Accessibility could be improved to the Centre by creating a through route which will improve the viability of the Centre and creation of high quality public spaces.
- Land and building assembly surrounding the local centre could further improve the public spaces and facilitate low density development in the future.

The existing capital programme has been reviewed and in order to limit new prudential borrowing to a maximum of £3.0m a number of changes are proposed to the existing capital programme that could be switched to help fund a regeneration scheme in Brookside. This review has identified £2.175m of existing planned spending from schemes which are considered a lower priority than investing in the regeneration of Brookside. It is also proposed that £0.5m of additional capital receipts will be raised from the sale of other assets not currently included in the planned disposal schedule. The balance of the scheme will be funded from new prudential borrowing but limited to a cap of £3.0m. This gives a maximum net funding envelope of £5.675m with any balance between the projected cost and this funding being made up from the sale of directly associated surplus assets and investment by the Council's Property Investment Portfolio of up to £0.15m.

Brookside is the Cooperative pilot ward and as such the Council will work closely with all partners to deliver a major improvement across the Brookside area but starting with the centre. There will be a strong focus on public consultation with residents of Brookside making key decisions about the change in the centre, although the overall cost envelope will remain the same. The items above are possible areas of investment, the exact approach will be developed with the community with the solution designed and developed together. The investment relating to Brookside was the subject of a Cabinet report during January 2012.

Ironbridge Gorge Stability Project:-
The Council is in discussion with Government over funding the cost of works to stabilise parts of the Ironbridge Gorge. The Government have made an offer to fund 60% of works costing up to £20m but expect the Council to fund the remaining £8m. The only option available to fund this cost would be to incur additional borrowing and this would increase the Council's revenue costs by around £0.6m pa which, given the scale of cuts to our grants being made by the Government is not affordable. However, the Council have made a counter-offer that takes in to account the very considerable investment already made by the Council in the works to stabilise the Gorge which would involve the Council funding £5.6m of expenditure phased as follows:-

	£m
2012/13	0.2
2013/14	0.3
2014/15	0.5
2015/16	4.6
Total	5.6

The revenue costs of this proposed investment are incorporated into the budget and the scheme is included within the capital programme included elsewhere on this agenda. Negotiations will continue with Government and an update will be brought to members in due course.

Capital Receipts:-
The investment programme is now dependent on around £110m of capital receipts yet to be realised. The Council has an agreed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This is however a considerable exposure and represents a key risk. This dependency will therefore continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis.

5.2 SAVINGS.

Over the five years up to and including 2011/12, savings of over £28m have already been made. As stated earlier, over the period covered by this medium term financial strategy the Council has been looking to identify savings proposals of at least 20% across its budget. The 20% target figure has been used as a guide and obviously indicates the need for substantial service redesign rather than just incremental efficiency measures but actual reductions may vary with delivery of some services ceasing and others facing a much smaller reduction. As far as possible cuts to front line services will be minimised by continuing to seek to make efficiency savings, making savings through better procurement and delivering services in new ways. However, further savings over and above the 20% target are going to be required and difficult choices will need to be made with cuts to services being unavoidable given the scale of the financial challenge facing the Council. Schedules showing the targets and phasing for reductions of 20% to staffing and non staffing budgets are attached as Appendices 3 - 5. Appendix 6 details the non-staffing savings analysed between proposals for

- additional income,
- operational efficiencies,
- savings from procurement,
- reductions or changes to services

for the coming three years.

Since the Service & Financial Planning report was considered at Cabinet in December the key changes made to the service and financial planning strategy are:-

	12/13 £000	**13/14 £000**	**14/15 £000**
Additional cost of Continuing Health Care cases built in to projected budget	600	600	600
Additional contribution from the PCT towards adult social care costs	-1000		
Reduction from assuming that pay awards are limited to 1% in line with the Chancellors comments in the Autumn Statement and that the cost of pay awards are found from within service budgets through savings from natural wastage rather than provided for centrally		-960	-1920
Rolling programme of further reviews to generate savings from improved procurement over and above the savings already assumed		-1000	-1250
Target for additional income to be generated from a review of fees and charges over and above that assumed in current savings proposals (broadly an annual inflation increase with some implementation of new charges/removal of some subsidies) – First review to be implemented by 01/10/12 and then annually from 01/04/13	-330	-1320	-1980
Review of budgets (staffing and non-staffing) in some targeted areas and savings from VRs over and above that needed to cover any pay awards	-550	-1250	-1250
Changes in response to consultation feedback	68	70	120
Total	-1212	-3860	-5680

Detailed proposals will be developed to achieve these targets over coming months and will be impact assessed and consulted upon as appropriate.

The proposals in Appendix 6 total £9.48m gross in 2012/13 before allowing for savings where the benefit "leaks" away from the main General Fund budget e.g. through to capital account, the education budget or a partner organisation. After allowing for this "leakage" away from the main General Fund budget, a net figure of £8.899m is expected to be available to support the General Fund budget from the proposals detailed in Appendix 6 in 2012/13. Further proposals totalling a further £12.25m (net) and expected to be delivered in 2013/14 – 2014/15 are also detailed in Appendix 6.

In addition, the Council's staff restructure programme which is aligned with the service review programme is expected to generate savings of £9.59m (£8.158m net) next year with a further £0.3m net to be delivered in 2013/14 as detailed in Appendix 4.

To identify savings and efficiencies, we have been carrying out a rolling programme of restructuring and service reviews. Our approach has been based on the principle of 'deliver efficiencies and savings, as far as possible minimising the impact on the quality of services, particularly through improving our approach to procuring goods and services'. We have considered the savings options suggested through consultation and have wherever possible focused on things that will have minimal impact on services delivered to the public, such as:

- Implementing further reductions to the number of senior managers and the pay of the most senior managers. The number and cost of senior management posts will have been more than halved over the last 3 years saving £2.15m pa)
- Cutting down the number of buildings we use and reducing repair and maintenance
- Spending less on equipment etc;
- Renegotiating contracts.

We have also looked at our fees and charges. Our savings package includes a number of proposals relating to fees and charges totalling £0.927m in 2012/13. We have focused on services where charges have not increased for a number of years or where our charges are significantly lower than other councils. As referred to above, an assumption has now been built in that fees and charges budgets will be increased by an average of 1.5% across the board for the medium term planning period over and above any increases already put forward as savings proposals. The first increase will be applied from mid 2012/13 and then annual increases will be applied from the start of future financial years. A 1.5% increase in fees and charges budgets would generate around £0.66m pa in a full year if applied across the board. Clearly it will not be possible or desirable to increase some fees and charges budgets and so the rate of increase could be nil in some areas provided that higher than average increases were applied in other areas. Proposals will be developed for consultation where necessary following a review of income budgets.

Finally, given the scale of the challenge facing us, we have had no option but to consider making some savings to services. We have focused on 'scaling back' services rather than stopping them altogether, carefully weighing up the impact on local people and taking into account the results of consultation. Details of the savings proposals for 2012/13 are included in Appendix 6.

The Council has built up a significant reserve since 2007/08 towards the costs of single status. During 2011/12 no further contribution to this reserve was made on the basis that it was considered that adequate provision had been made. It is now proposed to make no further contribution during 2012/13 or 2013/14 but to leave the ongoing additional funding in the base budget for 2014/15. However, whilst the budget currently includes ongoing provision of £2.8m pa for the cost of implementing single status this allowance will be reduced by 20% to reflect the significant reduction made in the workforce as a result of restructuring. The cost of moving away from fixed grade points, an early associated decision with an initial estimate of the cost being in the region of £0.2m in 2012/13 and £0.4m in 2013/14 will also be funded from this budgetary provision on an ongoing basis. The position will continue to be regularly monitored. Not making additional provision during 2012/13 will generate a benefit of around £2.6m on the General Fund budget (net of the cost of deletion of fixed grade points). The one-off cost of the £0.6m support package agreed as part of the 100 day budget review will also be funded from this budget leaving a net amount of £2.0m available in 2012/13. A benefit of £2.4m will arise in 2013/14 (£2.8m base budget contribution less £0.4m - initial estimate of the cost of deleting fixed grade points). An ongoing benefit of £0.5m has been assumed from 2014/15 to reflect the reduction in the size of the Council's workforce as a result of restructuring. A further benefit of around £0.2m on the Dedicated Schools Grant funded budget will be available for the period 2012/13 through to 2013/14.

As reflected in 2011/12 financial monitoring reports, considerable work has already been undertaken in the current financial year pulling the implementation of savings proposals forward and holding posts vacant pending the implementation of restructures. As reported in the Financial Monitoring report, around £0.58m from non-staff budgets and £0.6m from staffing budgets will be available from this early action as a one-off contribution towards the budget strategy for next year. In addition, other benefits flagged in the 100 day budget review and financial monitoring reports can be carried forward from 2011/12 in to 2012/13 to create a total one-off contingency of around £2.145m. A risk assessment of all the 2012/13 savings proposals has been undertaken and high level action plans prepared for those considered to be high risk. These action plans will be monitored on a regular basis throughout the year. One of the greatest areas of risk is the safeguarding savings target of £0.25m from the placements budget which is anticipated from a budget which is currently significantly overspent. However, the creation of the one-off corporate contingency of over £2m will help protect against any shortfall against delivery of savings proposals in 2012/13.

5.3 COUNCIL TAX.

Council Tax in Telford & Wrekin in 2011/12 is again the lowest in the Midlands region for the services this Council provides (£129.38 lower than the Midlands average at Band D in 2011/12 and £332 below the highest in the Midlands region). It is also significantly below the national average for other unitary authorities (£114.29 pa lower than the unitary authority average at Band D in 2011/12) being the sixth lowest for a unitary authority in the country.
If the Council charged council tax at the average rate paid in the rest of Shropshire the Council would receive an additional £4.145m pa. If we charged at the average rate of other councils in the Midlands region we would raise an additional £6.643m. This shortfall in income, together with the shortfall arising from grant damping (c. £1.9m) and the under-estimate of our population by ONS (c. £2.8m) places further pressure on services that the Council is able to afford to provide.

Whilst council tax is low compared to that charged by other councils, it is clearly a very significant bill for local households and the council understands the pressure that household budgets are under. However, the council is facing cuts of around 40% in real terms in the grants that we have previously received from the Government due to the deficit in the national finances and the Council has consulted on a wide range of cuts to services having made considerable savings from back-office functions (33%) and other areas that don't impact directly on front line services.

In the current financial year there was no increase in council tax as the Council decided to take the council tax reduction grant paid by the Government for a 4 year period but which will cease to be payable from 2015/16 presenting a financial shortfall in that year which will mean that the Council will have to make further savings to cover the loss of this income.

For next year, the Government has announced another grant payable if councils freeze council tax again. However, the Government's offer for 2012/13 is different. This time, the offer of funding to councils that freeze council tax is a one-off grant, and will only be provided for one year. Councils that accept the grant will be left with a "black hole" in funding in every successive year. For Telford & Wrekin that shortfall would equate to £7m over five years. Councils would have to make up this shortfall through further cuts or higher increases in council tax.

The Council recognises that these are challenging times for council taxpayers but taking account of the above issues and in line with the responses received from the extensive consultation undertaken on the three options put forward for consideration by the community, the soundest option is to decline the Government's offer and, instead, increase council tax by 2.5 per cent for 2012/13. This will make the Council's budget more sustainable over following years and avoid some of the most damaging cuts that would otherwise have to be made to front-line services.

This means the authority would not have to increase council tax by up to 3.5% in subsequent years and the Council will commit to increases of 2.5% pa for the following 3 years as part of a sustainable medium term financial strategy.

This increase equates to 41 pence per week for the average property in the Telford & Wrekin area next year and is an increase of around half the current rate of inflation (RPI for December 2011 was 4.8%).

An increase of 2.5% will mean that council tax in this area will still remain amongst the lowest in the country and is likely to be the third lowest in the Midlands (just over 1% higher than the lowest). Band D Council tax in Telford and Wrekin is still likely to be more than £50pa cheaper than the average in the Shropshire Council area. Graphs showing the comparative level of council tax in this area assuming that all other authorities accept the council tax reduction grant (which is unlikely to be the case) are included as Appendix 10.

5.4 BALANCES AND CONTINGENCIES.

Appendix 7 summarises the overall balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This shows around £3.698m available as part of medium term budget strategy considerations at the start of 2012/13. This is after setting £0.25m of General Fund balances aside in order to allow greater freedom and flexibility in managing the leisure services budget.

In addition, to the available balances, the Council is also projected to start next year with a one-off contingency fund of £2.145m which has been set aside during the current financial year to supplement the base budget contingency of £1.6m on a one-off basis in 2012/13 as referred to above and in the financial monitoring report. This one-off contingency may potentially be supplemented further with any available further underspends at the end of 2012/13. Additional contingency is provided for general inflationary pressures of 3% on non-pay budgets for 2012/13 (of £2.5m after allocating £0.9m to Adult Social Care as referred to in recommendation 2.3) and 2% for future years. No allowance has now been included for pay awards in 2012/13 or future years with any pay awards needing to be funded from within cash limited service budgets through vacancy assumptions/natural wastage. This provision for inflation is currently held centrally as a specific inflation contingency pending confirmation of the minimum amounts that will need to be allocated to services in order to achieve a realistic budget during these years. Contingencies at this level will help the Council deal with unexpected variations or some delay in implementing savings proposals.

Invest to Save Reserve:-

The council created a revenue “Invest to Save” reserve as part of the out-turn process for the 2006/07 accounts. The balance was transferred to the redundancy costs provision in the 2011/12 budget and to compensate a Capital Invest to Save reserve of £0.5m (which is less flexible as it can only be used to fund spending of a capital nature) was created. As part of the service and financial planning proposals launched for consultation in December this funding was transferred to help fund the proposed capital investment in Brookside. The financial monitoring report elsewhere on this agenda recommends the creation of a revenue Invest to Save reserve of £0.5m from the underspend in the current financial year.

5.5 <u>SUMMARY OF STRATEGY:-</u>

Bringing together our assessment of community needs and the wider policy context, the latest financial position and the feedback that we have received from across the community, we have refreshed our strategy since the proposals approved for consultation by Cabinet in December. In summary they are:

- Given the high levels of support for a limited council tax increase, to increase council tax by 2.5% in 2012/13 and to commit to increases at this level in the following 3 years.
- To complete the organisational restructuring programme and to deliver the savings set out in Appendices 3 to 6 with further specific consultation with service users where appropriate.
- To address the greatest service pressures our limited revenue investment will focus on the re-investment of £2.5m savings from Adult Care back in to social care services for Adults.
- Our capital investment programme focus continues to be transforming and improving the Borough, for example investment in schools, highways and regenerating the Town Centre and Brookside. As well as new investment in Brookside, provision has also been made for investment in the stabilisation of the Gorge subject to the successful conclusion of negotiations on the funding package as set out in the Capital programme report on this agenda.
- Use £1.39m of available General Fund balances leaving a projected figure of £2.3m available General Fund balances at the end of 2012/13.

The summary below reflects these proposals and details the projected budget gap for future years although, as previously stated projections beyond 2012/13 must be treated with caution as we only have a detailed grant allocations for 2012/13 pending implementation of the Local Resource Review which will radically change the local government finance system.

Projected Budget Gap	12/13 £m	13/14 £m	14/15 £m	15/16* £m	16/17* £m
Base Budget gap See Appendix 2	21.847	31.635	34.306	40.366	47.076
2011/12 – 2014/15 Tax reduction grant ceases to be paid from 2015/16 onwards				1.400	1.400
Savings proposals including additional income – see Appendix 5 (net)	-8.899	-17.067	-21.151	- 22.541	-23.931
Savings from staff restructure (net)	-8.158	-8.483	-8.483	-8.483	-8.483
Single status provision – cease funding for 12/13 and 13/14, net of costs.	-2.000	-2.400	-0.500	-0.500	-0.500
Total Projected Budget Shortfall before use of balances and Council Tax increases	**2.790**	**3.685**	**4.172**	**10.242**	**15.562**
Council tax increase of 2.5% in 2012/13 and similar increases in later years	-1.400	-2.800	-4.200	-5.600	-7.000
Restated shortfall before use of general balances	**1.390**	**0.885**	**-0.028**	**4.642**	**8.562**

* Projections beyond 2012/13 have a high degree of uncertainty due to the unknown impacts of the Local Resource Review and projections beyond 2014/15 are more uncertain still as they fall outside the current CSR period.

6. ROBUSTNESS OF THE FINANCIAL STRATEGY AND LEVELS OF RESERVES & BALANCES

Under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer (CFO) is required to report on the adequacy of the Council's reserves and balances and on the Council's financial strategy including the use of balances and of the financial planning process and the Council must have regard to this report when agreeing the medium term financial strategy.

Appendix 8 gives a more detailed view, but overall the conclusion is that given the planned programme of service reviews and accompanying organisational restructures which have been under way for some time now and underpinned by the proposed council tax strategy, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced.

In order to deliver a robust medium term financial strategy given the

- low starting level of council tax to deliver council services when compared to other councils
- high level of up front grant cuts faced by the council
- impact of cumulative capital programme investment decisions
- low level of residual balances
- greater uncertainty over future funding streams
- rising and ongoing pressure on services

a strategy of low level council tax increases is considered to be a more sustainable and financially prudent approach than use of further one off council tax reduction grants which only delay the decisions which need taking.

7. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Cabinet – 11th January 2011
- Service & Financial Planning Report to Council – 3rd March 2011
- Economic Update dated 30th November 2011 from Arlingclose
- 100 Day Budget Review report to Cabinet – 26th July 2011 and 10th November 2011.
- Service & Financial Planning Report to Cabinet – 22nd September 2011
- Service & Financial Planning Report to Cabinet – 22nd December 2011
- Consultation survey responses, feedback and notes from consultation meetings
- Chartered Institute of Public Finance & Accountancy guidance for Chief Financial Officers.

Report prepared by:-

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TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2012
COUNCIL - 1 MARCH 2012

SERVICE & FINANCIAL PLANNING 2011/12 – 2014/15: CAPITAL PROGRAMME

REPORT OF THE MANAGING DIRECTOR, CHIEF FINANCE OFFICER, THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE, THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING AND THE ASSISTANT DIRECTOR: ENVIRONMENTAL & LEISURE SERVICES

PART A – SUMMARY REPORT

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

The report details the revised capital programme for 2011/12 and the proposed capital programme for 2012/13 to 2014/15, together with the Capital Strategy (including the proposed Asset Management Plan and related Building Maintenance and the Highways and Transport capital investment programme).

2. ***RECOMMENDATIONS***

Members are asked to approve the report and associated capital estimates and variations for 2011/12 and 2012/13 – 2014/15, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV).

Members are asked to delegate authority to the Assistant Director: Development, Business & Housing to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Environmental & Leisure Services the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members.

3. ***SUMMARY IMPACT ASSESSMENT***

COMMUNITY IMPACT	*Do these proposals contribute to specific priority plan objectives?*	
	Yes/~~No~~	*All priorities are covered by the report. The overall budget framework contains funding to support the Council's work to promote*

		Equalities & Diversity across the Borough. As part of the Planned Maintenance funding an allocation had been identified to improve accessibility, and service delivery from the Authority's buildings
	Will the proposals impact on specific groups of people?	
	Yes/~~No~~	*An element of the capital improvements to Council buildings will be focused on improving accessibility. The allocation is prioritised using the full range of asset management data and specifically using the accessibility audits as well as working with Service Heads and the Equalities team.*
TARGET COMPLETION / DELIVERY DATE	*There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme as shown in Annex I.*	
FINANCIAL/VALUE FOR MONEY IMPACT	*Yes/~~No~~*	*Where appropriate these are detailed in the body of the report.*
LEGAL ISSUES	*Yes/~~No~~*	*all proposals are covered by the legislative framework within which the council operates*
OTHER IMPACTS, RISKS AND OPPORTUNITIES	*Yes/~~No~~*	*The Council's current Strategic Risk Register has been considered as part of allocating resources in the overall programme*
IMPACT ON SPECIFIC WARDS	*~~Yes~~/No*	*Proposals affect all wards in the Borough*

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

4.1 This report presents the Council's Capital Strategy for 2011/12 – 2014/15 and later years and a capital programme of £336.092m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2012/13 and the three year Highways & Transport capital investment programme.

4.2 The strategy and programmes address our corporate priorities in conjunction with the service and financial planning strategy. The proposals in this report build upon the major review of the Council's capital expenditure commitments undertaken as part of the "100 Day Budget". This saw the exposure to prudential borrowing reduce by around £35m giving an annual revenue saving of just under £3m pa through the cancellation of some capital projects such as the building of new Civic Offices and the use of additional capital receipts to reduce debt rather than to fund new spending commitments.

4.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2012/13 budget and future projections, while the cost of government supported allocations is currently met through a combination of Revenue Support Grant and direct capital grants, though the former is currently restricted by the government's damping of the Council's grant, no new government supported allocations have been issued for 2012/13 or 2013/14, this is offset by a partial switching to capital grant.

4.4 The Asset Management Plan sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme for 2012/13. The building maintenance programme has been set in accordance with the proposed budget 2012/13 – 2014/15.

5.0 STRATEGIC OVERVIEW

In the short to medium term, Telford & Wrekin Council is in a period of significant transformation and change. The drivers of this are:

- The retrenchment of public spending by the coalition Government - the Council is facing the challenge of making significant savings of £40m over a three-year period whilst trying to protect front-line services as far as possible. Our Service and Financial Planning Strategy sets out our response to this challenge and how these savings are being identified and delivered.

- Becoming a Co-operative Council and ultimately a Co-operative Borough to reshape the relationship between the Council, its employees, the community and partners to:

    - **Improve and bring services together;**
    - **Deliver the things that matter to local people;**
    - **Strengthen and develop our communities;**

Our Co-operative Council "adopter programme" sets out our pathway to becoming a Co-operative Council.

Both of these challenges have required the Council to review its 'priorities' and longer term 'vision' for the Borough as part of its service and financial planning strategy. This has been informed by a broad ranging consultation programme in which we listened to some 3,000 residents and partners over summer 2011. Informed by this and needs analysis of the Borough, our emerging priorities and associated vision for 2020 is:

- **A growing local economy to create jobs -** we will work with our partners to attract greater investment and tourism into the Borough. We want to nurture and keep our own local talent and develop a well educated and trained workforce to work in any new jobs. We will have improved the prospects of 18 to 24 year olds through apprenticeships and work experience.

- **Improved lives for all -** we will make sure that all local people have opportunities to have the best life possible wherever they live and whatever their background. Children and families will be supported to have good lives through good quality education, training and job opportunities. Our programme of rebuilding schools will be completed and we expect to see better results across the Borough.

- **Vulnerable children and adults are protected -** the best place for most children and young people is with their families and in their own communities. Children will be in care for the right reasons. Services for families will be stronger, and will offer support early on. Children in care will be happier and have improved lives and adults will keep their independence in their communities for longer.

- **Clean and well maintained neighbourhoods and streets -** we want to have high and consistent levels of cleanliness across all of our neighbourhoods. The condition of roads and footways will have improved. High quality streetlights will help to lower anti-social behaviour and improve energy efficiency. We will have one of the highest recycling rates in the West Midlands and household waste services will be more efficient and easy to use.

- **Residents feeling safe and proud of where they live** - through partnership working, the level of crime and anti-social behaviour will have continued to fall. We will work with families that display anti-social behaviour and people will not be as worried about this issue and crime. The things that are special about Telford and Wrekin will be celebrated and we will work to develop a stronger local identity. Volunteering will be at the heart of community action and we will work with local people to build respect for the Borough.

- **Housing choices to meet the needs of all -** By 2020 we will ensure that we have enough good quality housing for residents and newcomers into the Borough. New housing developments will help to build sustainable communities and will be well designed. In new housing estates, there will be more affordable housing and mixed social and private housing. We want the condition of privately rented accommodation to be consistently better.

Capital investment clearly plays a key role in the achievement of our local priorities. Through our Asset Management Plan and Capital Strategy **we seek to maximise the value and opportunities of our assets to take forward the delivery of emerging strategic priorities**.

Our Capital Strategy and Asset Management programme are not, however, just about ‘concrete, tarmac, buildings etc’, they are about making a positive difference to the quality of local people’s lives through specific projects, services, technology and facilities. In recent years, key initiatives progressed/ delivered through targeted capital investment include:

- Improvements to roads, pavements and street lighting;
- Redevelopment of the local centres
- Development of new ‘state of the art’ schools commencing with Abraham Darby Academy and Woodlands Primary

6.0 CAPITAL STRATEGY: 2011/12 – 2014/15

6.1 During 2012/13, we are planning to invest **£95.919m** as part of a **£336.092m** capital programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council's own resources (capital receipts), and Prudential Borrowing by the Council. Over the planning period, our capital programme is as follows:

Priority Area	Total	2011/12	2012/13	2013/14	2014/15	Later Years
	£m	£m	£m	£m	£m	£m
A growing local economy to create jobs	**41.854**	**6.100**	**27.207**	**6.854**	**1.693**	**0.000**
Improved lives for all	**213.413**	**47.328**	**52.250**	**56.135**	**28.236**	**29.464**
Vulnerable children and adults are protected	**6.807**	**2.968**	**2.917**	**0.922**	**0.000**	**0.000**
Clean and well maintained neighbourhoods and streets	**26.053**	**8.345**	**7.484**	**6.288**	**3.936**	**0.000**
Residents feeling safe and proud of where they live	**33.463**	**10.505**	**3.023**	**2.135**	**9.800**	**8.000**
Housing choices to meet the needs of all	**6.704**	**4.625**	**1.338**	**0.741**	**0.000**	**0.000**
Managing the Organisation	**7.798**	**4.398**	**1.700**	**1.700**	**0.000**	**0.000**
	336.092	**84.269**	**95.919**	**74.775**	**43.665**	**37.464**

6.2 Supporting Telford & Wrekin's role as a focus for continued growth and development until 2026 underpins all our priorities. This is very much a 'capital' agenda – though it must be supported by the day-to-day delivery of high quality and efficient and improving services for the community - and we will look creatively to utilise local resources such as the Council's land assets and land owned by other partners, and external funding and investment to turn vision into reality.

6.3 Details of the major projects and investments that we are looking to resource are detailed in Annex I. Many of these investments contribute in to the delivery of more than one Priority.

7.0 CAPITAL PLANNING FRAMEWORK

7.1 The Council's Capital Strategy is driven by our shared Vision for the Borough and our Priorities. All our plans and spending proposals (both capital and revenue) are developed within a partnership framework. The capital strategy is seen as a key opportunity to:

- drive forward the Vision and Priorities for the Borough;
- influence the development of the Borough and the actions of other agencies;
- work in partnership with other bodies to pursue national and regional objectives;
- ensure that funding mechanisms are used effectively and external funding maximised;
- maintain and improve the condition and suitability of our assets.

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

- at officer level by the Senior Management Team;
- at member level by the Cabinet.

Progress and the outcomes of capital expenditure are also considered by the Council's scrutiny committees as part of their service and financial performance monitoring role. They also input specifically to the strategy development process through scrutiny of the Draft Budget Strategy.

(i) Approach

7.3 Our approach to the Capital Strategy Process is described below. This process is continually evolving and has been developed to enable the Council to respond effectively to the developments in Capital and Asset Management Planning.

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

(ii) Capital Strategy Process

a) Strategic Review of Needs

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

- The LSP's Vision 2026, Community Strategy and Local Area Agreement;
- The Council Plan/Priority Plans;

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

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

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

b) Strategic Consideration of Priorities, Resources and Resource Implications

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

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

7.8 The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2012/13 has been developed around the following principles and processes:

- **Corporate Strategic Planning Assessment:**

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

- Options Appraisal to Secure Value for Money:

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

c) Detailed Capital Programme

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

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

Annex I sets out details of our committed Capital Programme 2011/12 – 2014/15 and Detailed Analysis of Capital Grants.

d) Control, Monitoring, Performance Management & Review

7.12 A corporate framework for project management exists for capital schemes. Regular monitoring of progress and spend takes place both at service level and corporately. The Asset Management Plan ensures that relevant property PIs have been incorporated into corporate performance monitoring arrangements and into the monitoring of the management of the capital programme. In-year progress is highlighted as part of the reporting arrangements of the Service & Financial Performance Management Framework.

8.0 ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

8.1 The Asset Management Plan (Annex III) and associated data on Property (i.e. condition, suitability, sufficiency, access, asbestos surveys) informs the Council's Building Investment Programme. The Council has completed all surveys for Operational Properties used for the delivery of its services and these are updated on a rolling programme each year. The Council's Asset Management Plan 2011 /2015 has identified a condition backlog of £12.8 million for Operational Properties (excluding schools) and £28.6m for Schools / education properties. The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future Programme (BSF). The Operational Property backlog will also show significant reductions as a result of Property Rationalisation.

8.2 The Building Investment Programme as identified in Annex II, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2012/13 is £1.63m for Educational Assets and £1m for all other Operational Assets. The budget allocations do not take into account the capital investment relating to Schools and the secured investment relating to BSF which will greatly reduce the condition backlog for Education Properties as part of the building rationalisation process. In addition to the above capital allocations, Schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the School building stock on a day to day basis.

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

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

Priority 3
Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of legislation.

8.5 Previous year comparisons

		2007	2008	2009	2010	2011
Schools	P1-P3	£26,491,290	£25,277,205	£27,657,372	£29,352,678	£28,593,580
Operational	P1-P3	£10,173,636	£11,984,120	£10,134,790	£11,080,659	£12,766,526

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

8.6 The proposed level of investment included in the Capital Programme 2012/13 is £1.63m for Educational assets and £1.0m for all other operational assets. The budget allocations do not take into account the capital investment relating to amalgamation of schools and the secured investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process.

In addition to the above capital allocations schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the school building stock on a day to day basis.

The Asset Management Database is analysed on a yearly basis as the priorities may change due to new findings as part of continuing re-surveys of property. Emergencies that occur within the financial year may also lead to reprioritisation of the allocated budgets and a change to the programme identified.

8.7 In accordance with prioritisation as set out in 7.4 Annex II, identifies the building maintenance programme for 2012/13; all schemes listed are priority 1 or priority 2 items, health and safety, or are deemed necessary in order to maintain service delivery.

9.0 PARTNERSHIP AND CROSS CUTTING ACTIVITY

9.1 There is a very well-developed Local Strategic Partnership, bringing together key local organisations and agencies across all sectors. The Partnership is overseen by an ‘executive’ Agenda Group which comprises the chief officers of the main public, private and voluntary organisations in Telford & Wrekin.

9.2 Partnership working is the framework through which all key local cross-cutting issues are tackled. The Partnership has a range of both ‘thematic’ and ‘area based’ sub-partnerships tackling local issues and informed by an extensive programme of consultation.

9.3 The Council actively works with partners to maximise assets For example through various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

10.0 CONSULTATION

10.1 Over the past few months, the Council has been engaging widely with the local community around service and financial planning. Further details are set out in the over-arching Service and Financial Planning report considered by Cabinet on 22 December 2011. As capital programmes are being rolled out there will be a need for further consideration on consultation with the public.

11.0 RESOURCES

11.1 Mainstream Government Supported Borrowing

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

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
Improved lives for all	1.941	0.000	0.000	0.000	0.000
Clean and well maintained neighbourhoods and streets	0.721	0.138	0.000	0.000	0.000
Managing the Organisation	2.000	0.000	0.000	0.000	0.000
Total	4.662	0.138	0.000	0.000	0.000

In the comprehensive spending review the government announced that no new allocation would be issued for 2012/13 or 2013/14.

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

11.2 Supplementary Grants

While information is still awaited on some allocations, the following new allocations have been built into the overall resources position: This takes into account the reduction in grant for Sports and Learning Communities discussed in 6.3 above.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
A growing local economy to create jobs	9.473	1.094	1.496	0.000	0.000
Improved lives for all	33.026	39.064	50.963	22.082	14.047
Vulnerable children and adults are protected	2.653	1.505	0.882	0.000	0.000
Clean and well maintained neighbourhoods and streets	4.242	4.995	4.038	3.936	0.000
Residents feeling safe and proud of where they live	0.262	0.500	1.200	9.300	3.400
Housing choices to meet the needs of all	2.308	0.000	0.000	0.000	0.000
Total	51.964	47.158	58.579	35.318	17.447

11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £110.154m shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Service & Financial Planning Strategy.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
Total	2.683	34.203	36.590	11.278	25.400

11.4 Prudential Borrowing Regime

Within the budget strategy for 2011/12 to 2014/15 the level of Prudential Borrowing assumed is as follows:

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
A growing local economy to create jobs	-4.068	18.738	-19.932	-1.545	0.000
Improved lives for all	10.843	5.521	-1.390	0.684	1.517
Vulnerable children and adults are protected	0.250	1.200	0.000	0.000	0.000
Clean and well maintained neighbourhoods and streets	3.382	2.351	2.250	0.000	0.000
Residents feeling safe and proud of where they live	5.273	0.373	-4.603	-11.135	4.600
Housing choices to meet the needs of all	2.167	1.338	0.741	0.000	0.000
Managing the Organisation	6.073	-15.313	2.500	9.065	-11.500
Total	23.920	14.208	-20.434	-2.931	-5.383

11.5 Overall Resources Position

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known.

Resources Available	**2011/12 £m**	**2012/13 £m**	**2013/14 £m**	**2014/15 £m**	**Later Years £m**	**Total £m**
Government Allocations						
Improved lives for all	1.941	0.000	0.000	0.000	0.000	1.941
Clean and well maintained neighbourhoods and streets	0.721	0.138	0.000	0.000	0.000	0.859
Managing the Organisation	2.000	0.000	0.000	0.000	0.000	2.000
	4.662	**0.138**	**0.000**	**0.000**	**0.000**	**4.800**
Grant Allocations						
A growing local economy to create jobs	9.473	1.094	1.496	0.000	0.000	12.063
Improved lives for all	33.026	39.064	50.963	22.082	14.047	159.182
Vulnerable children and adults are protected	2.653	1.505	0.882	0.000	0.000	5.040
Clean and well maintained neighbourhoods and streets	4.242	4.995	4.038	3.936	0.000	17.211
Residents feeling safe and proud of where they live	0.262	0.500	1.200	9.300	3.400	14.662
Housing choices to meet the needs of all	2.308	0.000	0.000	0.000	0.000	2.308
	51.964	**47.158**	**58.579**	**35.318**	**17.447**	**210.466**
Other Resources						
Capital Receipts	2.683	34.203	36.590	11.278	25.400	110.154
Revenue/External	1.040	0.212	0.040	0.000	0.000	1.292
Prudential Borrowing	23.920	14.208	-20.434	-2.931	-5.383	9.380
	27.643	**48.623**	**16.196**	**8.347**	**20.017**	**120.826**
Total	**84.269**	**95.919**	**74.775**	**43.665**	**37.464**	**336.092**

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme are built in to the budget summary.

12.0 CONCLUSION

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

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

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

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

Background Papers

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

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Annex I

Capital Programme 2011/12 to 2014/15 and later years
See attached Excel spreadsheet

Annex II

Property Programme 2012/13

Education Planned Building Capital Works Programme 2012/13

Asset	Description of Works	Estimated Budget	Ward
Donnington Wood Infants	Re-roofing of main school block and partial replacement of curtain walling. The main school roof is in poor condition, the glazing system also leaks and generally the construction is very inefficient from an energy perspective. The proposed works are to re-roof the school, replace elements of glazing system and provide insulation.	£280,000	Donnington
Dothill Primary	Phase 2 Heating installation - The boilers to the main school were replaced in 2011/12 and the proposals are to replace the heat emitters in the class bases as part of the phase 2 investment. This will provide a more efficient heating system and reduce energy usage.	£75,000	Dothill
Lilleshall Primary	Roofing and window replacement - Works have been undertaken in 2011 which included partial roof replacement. As part of the planned Phase 2 work the high level windows over the hall will be replaced as they are beyond economical repair.	£50,000	Church Aston & Lilleshall
Southall Primary	Works to the existing three class base demountable - The demountable is no longer useable due to the poor condition of the roof. The building requires re roofing and redecoration which would provide the school with the required accommodation for their capacity. The works will include insulating the roof to reduce energy costs.	£30,000	Dawley Magna
St Lawrence Primary	Re-roofing of demountable - The existing demountable building roof is leaking which is causing disruption. It is proposed to replace this with an insulated roofing system which would reduce energy costs.	£20,000	Ercall Magna
Haughton Special School	Re -roofing of main school - The main school roof is leaking and beyond economic repair. The project will include re roofing the school with an insulated roofing system to reduce energy costs.	£100,000	Cuckoo Oak
Newport Junior	Boiler replacement - It is proposed to undertake a full boiler replacement including controls and associated pumps and valves. This will reduce the schools expenditure on repairs and heating costs.	£100,000	Newport South
John Randal Primary	Electrical installation replacement - The power and lighting at the school is in need or replacement. The school are undertaking a project to replace light fittings to some areas, from a procurement and economies of scale perspective it makes sense and	£75,000	Cuckoo Oak

	minimises disruption to undertake the two projects under one contract.		
Asset	Description of Works	Estimated Allocated Budget	Ward
John Fletcher	Partial re roofing - the main teaching block roof is leaking which is causing disruption. The proposal is to partially replace the roof covering with an insulated system to reduce energy costs.	£35,000	Madeley
Wombridge Primary	Boiler replacement - The boilers are oil fired, they are inefficient and at the end of their economic life.. It is proposed to replace the existing boilers and associated pumps and valves with high efficiency gas boilers. This will lower costs and also contribute the Councils Carbon Reduction Commitment.	£100,000	Ketley & Oakengates
Teagues Bridge Primary	Curtain Walling Phase 2 - Partial replacement of the curtain walling system was undertaken in 2010. Completion of the curtain walling is planned to be carried out in a final phase in 2013/14 subject to assessment of future budget provision.	£200,000	Wrockwardine Wood & Trench
Tibberton Primary School	Re-roofing of main school block - the existing school roof is beyond economic repair. The proposal is to replace the roof with an insulated system.	£130,000	Edgmond
Meadows Primary	Electrical installation replacement - The power and lighting systems at the school are in need or replacement.	£80,000	Ketley & Oakengates
Various Schools	Data updates - to update the asset management data. This will include condition and suitability surveys and re drawing of plans to buildings as and when upgrades are carried out.	£30,000	Various
Various Schools	Asbestos removals - Carry out asbestos removals within school buildings. The removals will be prioritised using the Asbestos Management survey data.	£100,000	Various
Various Schools	External decoration and preventative maintenance - It is vital to carry out a programme of preventative planned maintenance to minimise future significant capital expenditure. The proposed programme is carry out work to approximately 15 schools per year based on a 4 year programme.	£75,000	Various
Various Schools	Emergency works - budget allocation for emergency works. Examples are major boiler failures. This will ensure that schools are able to remain operational with minimum closures.	£150,000	Various
Total		£1,630,000	

Corporate Planned Building Capital Works Programme 2012/13

Asset	Description of Works	Estimated Allocated Budget	Ward
Various Properties	Emergency Works - A reserved budget to cover landlord responsibilities for major un planned replacements (i.e. boiler failure). This is required to ensure continuation of service.	£300,000	Various
Various Properties	External Painting - It is vital to undertake preventative planned maintenance to minimise future capital expenditure, it is proposed to repaint approximately 15 properties per year based on a 4 year programme.	£65,000	Various
Various Properties	Asbestos Removals - Carry out asbestos removals within Operational Buildings. The removals will be prioritised using the Asbestos Management survey data.	£75,000	Various
Various Properties	Carbon Reduction Commitment Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to 'Salix' grant funding and includes replacement heating controls and monitoring together with lighting and sensor control upgrades.	£75,000	Various
Various Properties	Data Updates - to update the asset management data on operational assets. This includes condition and suitability surveys together with updated plans on 20% of properties.	£30,000	Various
The Place Oakengates	*S*tage Winch Replacement - The stage winches require replacement as they no longer comply with current H&S requirements.	£60,000	Ketley & Oakengates
Oakengates Leisure Centre	Internal Refurbishment - Works are required to the internal fabric of the building which would include wet side changing rooms, toilets, sports hall floor, lighting and decoration. Assessment of proposed BSF Programme will be carried out.	£100,000	Wrockwardine Wood & Trench
Leegomery Changing Rooms	Showers - The showers are past economic repair and in need of replacement.	£25,000	Hadley & Leegomery
Darby House	Roof Replacement - The roof over Darby House is leaking. It is proposed to replace the roof covering with an insulated system.	£100,000	The Nedge
Wellington Chapel of Rest (Cemetery)	Essential Electrical Works - The electrical installation at the property is in a poor state and requires replacement.	£30,000	Ercall
Stirchley Leisure Centre	Boiler Replacement - the boilers at the property are at the end of their economical life and require replacing. The proposal would be to replace them with high efficiency boilers which would contribute to the council's carbon reduction commitment.	£140,000	Brookside

Total		£1,000,000	

Note- The costs are estimated, actual costs will be established by competitive tendering in accordance with the Councils Financial Regulations with variances managed within the overall budget allocations.

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
Vulnerable Children & Adults Are Protected								
	Social Care Capital Grant	Gov Grant	1,073	475	414	184	0	0
	ICT Social Care Review	Prudential	250	250	0	0	0	0
		Gov Grant	873	480	393	0	0	0
		Revenue	252	0	212	40	0	0
	Supported Independent Living - Di	Gov Grant	2,094	698	698	698	0	0
	Extra Care	Prudential	2,200	1,000	1,200	0	0	0
	Donnington House	External	65	65	0	0	0	0
Total			**6,807**	**2,968**	**2,917**	**922**	**0**	**0**
A Growing Economy to Create Jobs								
	Town Centre & Accommodation S	Prudential	-6,807	-4,068	18,738	-19,932	-1,545	0
		Gov Grant	12,063	9,473	1,094	1,496	0	0
		Cap Receipts	36,598	695	7,375	25,290	3,238	0
Total	:entre& Accommodation Strategy		41,854	6,100	27,207	6,854	1,693	0
Total			**41,854**	**6,100**	**27,207**	**6,854**	**1,693**	**0**
Residents feeling Safe & Proud of where they live								
	Wellington Civic Works	Prudential	384	2,284	-1,900	0	0	0
		Cap receipts	4,850	2,700	2,150	0	0	0
	Wellington Street Works	Prudential	394	394	0	0	0	0
Total	Sub Total - Wellington BTI		5,628	5,378	250	0	0	0
	Dawley							
	Dawley Ground works	Prudential	-3,638	7,312	0	-3,650	-7,300	0
	Dawley	Cap Receipts	18,550	2,000	0	5,250	11,300	0
	Dawley-Town Park Access section	Prudential	-11,350	-5,750	0	-1,600	-4,000	0
	Dawley-Project Management cos	Prudential	300	100	100	100	0	0
	Dawley-MUGAS	Prudential	500	0	0	500	0	0
Total	**Sub Total Dawley**		4,362	3,662	100	600	0	0
	Newport Feasibility	Prudential	250	250	0	0	0	0
	High Street	Prudential	14	14	0	0	0	0
	Victoria Park	Prudential	8	8				
	Canal	Prudential	49	12	37			
Total	**Sub Total Newport**		321	284	37	0	0	0
	Oakengates	Prudential	1,900	155	1,745			
Total	**Sub Total Oakengates**		1,900	155	1,745	0	0	0

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
	BTI Small Grants	Prudential	67	67				
	Ironbridge	Prudential	91	91				
	Randlay	Prudential	17	17				
	Malinslee Local Centre	Cap Receipts	713	90	0	288	335	
		Prudential	-78	319	191	-253	-335	
		Gov Grant	0	0				
		External	180	180				
	Ironbridge CIPS	Gov Grant	107	107				
Total	**Sub Total Other BTI**		1,097	871	191	35	0	0
	Ironbridge Gorge Stability	Gov Grant	14,400	0	500	1,200	9,300	3,400
	Ironbridge Gorge Stability	Prudential	5,600	0	200	300	500	4,600
Total	**Sub Total Ironbridege Gorge Stability**		20,000	0	700	1,500	9,800	8,000
	Wellington Market Towns Initiative	Gov Grant	155	155	0	0	0	0
Total	**Sub Total Other Schemes**		20,155	155	700	1,500	9,800	8,000
Total			**33,463**	**10,505**	**3,023**	**2,135**	**9,800**	**8,000**
Housing Choices to Meet the Needs of All								
	Regional Housing Allocation (Estim	Gov Grant	335	335	0	0	0	0
	Works In Default	Cap Receipts	150	150	0	0	0	0
	Housing	Prudential	2,264	755	932	577	0	0
	Housing Strategy & Enabling NGP	Gov Grant	170	170	0	0	0	0
	Housing Strategy & Enabling	Prudential	1,982	1,412	406	164	0	0
	Housing Strategy & Enabling NGP	Gov Grant	1,803	1,803	0	0	0	0
	Sub Total Housing Schemes		6,704	4,625	1,338	741	0	0
Total			**6,704**	**4,625**	**1,338**	**741**	**0**	**0**
Clean & Well Maintained Neighbourhoods & Streets								
	Waste - Bulking Station	Gov Grant	20	20	0	0	0	0
	Sub Total Waste - Bulking Station		20	20	0	0	0	0
	Integrated Transport	Borrow App	360	360	0	0	0	0
		Prudential	588	588	0	0	0	0
		Gov Grant	4,225	795	1,171	939	1,320	0
	Street Lighting and Environmental	Prudential	85	85	0	0	0	0
	Highways & Bridges Capital Mainte	Borrow App	499	361	138	0	0	0
		Gov Grant	10,742	2,832	2,743	2,661	2,506	0
	Highways / Footpaths	Prudential	6,811	2,210	2,351	2,250	0	0
	Local Sustainable Transport Fund	Gov Grant	2,129	595	986	438	110	0

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
	Road Safety Schemes	Gov Grant	95	0	95	0	0	0
	Sub Total Transport & Highways Schemes		25,534	7,826	7,484	6,288	3,936	0
	Wellington Cemetery	Prudential	130	130	0	0	0	0
	Stoney Hill	Prudential	369	369	0	0	0	0
	Sub Total - Other Schemes		499	499	0	0	0	0
Total			**26,053**	**8,345**	**7,484**	**6,288**	**3,936**	**0**
Improved Lives for All								
	Building Schools for the Future	Prudential	2,224	4,561	-513	-3,113	166	1,123
		Gov Grant	135,765	24,170	32,416	46,598	19,090	13,491
		External	768	768	0	0	0	0
		Revenue	-333	-333	0	0	0	0
		Cap Receipts	29,650	0	6,000	4,780	4,970	13,900
		Borrow App	1,268	1,268	0	0	0	0
	Sub Total - Building Schools for the Future		169,342	30,434	37,903	48,265	24,226	28,514
	Modernisation	Prudential	16	16	0	0	0	0
	Capital Maintenance - Various Scl	Borrow App	15	15	0	0	0	0
		Gov Grant	9,524	2,325	2,559	2,320	2,320	0
	Sub Total - Modernisation & Condition		9,555	2,356	2,559	2,320	2,320	0
	Devolved Formula Capital	Gov Grant	2,131	557	522	526	526	0
	Redhill Demountable	Cap Receipts	-15	-15	0	0	0	0
	Redhill Demountable new allocati	Exnl cont, school fı	5	5	0	0	0	0
	Crudgington Primary Boiler	Cap Receipts	-2	-2	0	0	0	0
	Shortwood Pool Heating	Cap Receipts	3	3	0	0	0	0
	Arthog Access	Borrow App	1	1	0	0	0	0
	Arthog Annex	Gov Grant	16	16	0	0	0	0
	Arthog Annex	External	5	5	0	0	0	0
	St Patricks RC	Borrow App	2	2	0	0	0	0
	St Patricks RC - Nursery Works	Gov Grant	18	18	0	0	0	0
	William Reynolds Junior Roof	Borrow App	6	6	0	0	0	0
	Burton Borough Roof	Borrow App	12	12	0	0	0	0
	Mount Gilbert Roofing Panels	Gov Grant	18	18	0	0	0	0
	Charlton Car Park	Prudential	5	5	0	0	0	0
	Basic Need	Gov Grant	2,626	1,502	1,124	0	0	0
	Asbestos Surveys	Gov Grant	13	13	0	0	0	0
	Grange Park Remodelling	Borrow App	19	19	0	0	0	0
	Grange Park Remodelling	Cap Receipts	13	13	0	0	0	0
	Kitchen Internal Alts	Cap Receipts	5	5	0	0	0	0
	PRU DFC	Gov Grant	11	11	0	0	0	0
	Newdale Primary	Cap Receipts	200	200	0	0	0	0
	Newdale Primary	Gov Grant	70	70	0	0	0	0

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
	Wombridge Primary School Roof W	Borrow App	6	6	0	0	0	0
	Wombridge Primary School New E	Borrow App	12	12	0	0	0	0
	Wombridge Primary School Fencin	Gov Grant	10	10	0	0	0	0
	Wombridge Primary School Fencin	Exnl funding, Welli	17	17	0	0	0	0
	Madeley Court Demolition	Cap Receipts	-200	-200	0	0	0	0
	Madeley Court Demolition	Exnl cont, school f	190	190	0	0	0	0
	School Kitchens	Gov Grant	70	70	0	0	0	0
	School Kitchens (matched funding	Borrow App	27	27	0	0	0	0
	Moorfield Primary	Gov Grant	5	5	0	0	0	0
	Aqueduct Primary	Gov Grant	79	79	0	0	0	0
	Lawley Primary Extension	Gov Grant	89	89	0	0	0	0
	Lilleshall Covered Area	Borrow App	2	2	0	0	0	0
	Madeley Infant GP Room	Cap Receipts	5	5	0	0	0	0
	Madeley Infant GP Room	Borrow App	17	17	0	0	0	0
	Teagues Bridge Primary	Borrow App	2	2	0	0	0	0
	Woodlands Primary	Gov Grant	1,322	1,322	0	0	0	0
	Woodlands Primary	Prudential	2,572	2,572	0	0	0	0
	Old Park Primary	Cap Receipts	-20	-20	0	0	0	0
	Dothill Co Location	Borrow App	20	20	0	0	0	0
	High Ercall Primary	Borrow App	12	12	0	0	0	0
	Lilleshall Primary	Borrow App	26	26	0	0	0	0
	Private Providers	External	1	1	0	0	0	0
	Windmill Children's Centre	Cap Receipts	22	22	0	0	0	0
	Windmill Children's Centre phase 2	Borrow App	79	79	0	0	0	0
	Windmill Children's Centre phase 2	Exnl cont, school f	5	5	0	0	0	0
	Admaston Tuition Centre - Roof	Exnl cont, school f	60	60	0	0	0	0
	Short Breaks for Disabled Children	DfE Grant -	102	102	0	0	0	0
	Crudgington Primary - Children Ce	Extnl Contrbn from	15	15	0	0	0	0
	Oakengates Children's Centre	Borrow App	17	17	0	0	0	0
	Queensood Children's Centre	Gov Grant	20	20	0	0	0	0
	Wrekin View CC	Cap Receipts	30	30	0	0	0	0
	Shortwood playing for success	Cap Receipts	4	4	0	0	0	0
	Sustainability schemes	Borrow App	118	118	0	0	0	0
	Millbrook Primary Kitchen	Borrow App	1	1	0	0	0	0
	High Ercall Holiday Pilot	Cap Receipts	10	10	0	0	0	0
	Hollinswood Junior Reception	Borrow App	13	13	0	0	0	0
	Randlay Primary Front Entrance	Borrow App	2	2	0	0	0	0
	William Reynolds Hall Heating	Borrow App	3	3	0	0	0	0
	William Reynolds Jnr - Amalgamat	External	25	25	0	0	0	0
	Sir Alexander Fleming Primary	Gov Grant	2	2	0	0	0	0
	Shortwood Pool Hoist	Borrow App	6	6	0	0	0	0
	Wrockwardine Wood Inf Toilets	Borrow App	3	3	0	0	0	0

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
	Newport Girls	Gov Grant	15	15	0	0	0	0
	Newport Girls	Cap Receipts	50	50	0	0	0	0
	Newport Girls	Borrow App	196	196	0	0	0	0
	Charlton PRU Bungalow	Cap Receipts	-35	-35	0	0	0	0
	Burton Borough Gates	Borrow App	1	1	0	0	0	0
	Lightmoor Equipment	Gov Grant	6	6	0	0	0	0
	Haughton School Doors	Gov Grant	3	3	0	0	0	0
	Schools Access Initiative	Borrow App	50	50	0	0	0	0
	Sub Total - Other Schemes		8,118	6,994	1,124	0	0	0
Total			**189,146**	**40,341**	**42,108**	**51,111**	**27,072**	**28,514**
Improved Lives for All								
	Lawn Tennis Academy	Prudential	15	15	0	0	0	0
	Sub Total - Lawn Tennis Academy		15	15	0	0	0	0
	Telford Ice Rink	Cap Receipts	777	0	0	777	0	0
		Prudential	3,200	279	3,609	-688	0	0
	Sub Total - Telford Ice Rink		3,977	279	3,609	89	0	0
	Sutton Hill	Prudential	737	737	0	0	0	0
		Gov Grant	250	250	0	0	0	0
	Sutton Hill Local Centre	Prudential	165	165	0	0	0	0
		Gov Grant	-78	-78	0	0	0	0
		Cap Receipts	275	275	0	0	0	0
Total	Sub Total Sutton Hill & Local Centre		1,349	1,349	0	0	0	0
	Hadley Local Centre Phase 1 & 2 (grant remains subject to confirmation by HCA)	Prudential	1,100	327	473	300	0	0
		Gov Grant	2,900	0	1,500	1,400	0	0
Total	Sub Total Hadley Local Centre		4,000	327	1,973	1,700	0	0
	Leegomery Local Centre BTI	Prudential	-1,350	0	-1,350	0	0	0
		Borrow App	5	5	0	0	0	0
		Cap Receipts	1,350	0	1,350	0	0	0
Total	Sub Total Leegomery Local Centre BTI		5	5	0	0	0	0
	Woodside	Prudential	1,989	636	1,353	0	0	0
		Cap Receipts	230	0	230	0	0	0
		Gov Grant	831	831	0	0	0	0
	Woodside North	Prudential	625	625	0	0	0	0
	Woodside North	Gov Grant	375	375	0	0	0	0
Total	Sub Total Woodside		4,050	2,467	1,583	0	0	0
	Brookside	Prudential	4,658	0	1,644	2,573	441	0
		Gov Grant	362	0	362	0	0	0
		Cap Receipts	1,135	70	85	480	500	0

Capital Programme - 2011/12 - 2014/15 & Later Years

Priority Area	Scheme		Total £'000	2011/12 £'000	2012/13 £000	2013/14 £000	2014/15 £000	Later Years £'000
	Sub Total - Brookside		6,155	70	2,091	3,053	941	0
	Parks for People	Prudential	429	115	305	-462	77	394
		Cap Receipts	775	250	0	525	0	0
		Gov Grant	2,096	694	581	119	146	556
	Sub Total - Parks for People		3,300	1,059	886	182	223	950
	Upgraded Tennis Facilities	Gov Grant	160	160	0	0	0	0
	AFC Telford	Prudential	284	284	0	0	0	0
	Brindleyford	Cap Receipts	95	95	0	0	0	0
	Parks & Play Areas	Prudential	506	506	0	0	0	0
	Play Builder	Gov Grant	371	371	0	0	0	0
	Sub Total Other Schemes		1,416	1,416	0	0	0	0
Total			**24,267**	**6,987**	**10,142**	**5,024**	**1,164**	**950**
Total	Sub Total Improved Lives for All		**213,413**	**47,328**	**52,250**	**56,135**	**28,236**	**29,464**
Managing the Organisation								
	ICT/ eGov	Prudential	3,008	1,608	700	700	0	0
		Revenue	37	37	0	0	0	0
		Cap Receipts	336	336	0	0	0	0
	Sub Total - ICT / eGov		3,381	1,981	700	700	0	0
	Asset Management Plan - Genera	Prudential	2,367	367	1,000	1,000	0	0
	Aggresso Project	Prudential	50	50	0	0	0	0
	Statutory Redundancy	Borrow App	2,000	2,000	0	0	0	0
	Use of Additional Capital Receipts	Prudential	-14,600	4,048	-17,013	800	9,065	-11,500
	To Reduce Prudential Borrowing	Cap Receipts	14,600	-4,048	17,013	-800	-9,065	11,500
	Sub Total - Other Schemes		4,417	2,417	1,000	1,000	0	0
Total			**7,798**	**4,398**	**1,700**	**1,700**	**0**	**0**

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TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2012
COUNCIL - 1 MARCH 2012

SERVICE & FINANCIAL PLANNING 2011/12 – 2014/15: CAPITAL PROGRAMME

REPORT OF THE MANAGING DIRECTOR, CHIEF FINANCE OFFICER, THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE, THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING AND THE ASSISTANT DIRECTOR: ENVIRONMENTAL & LEISURE SERVICES

PART A – SUMMARY REPORT

1. *SUMMARY OF MAIN PROPOSALS*

The report details the revised capital programme for 2011/12 and the proposed capital programme for 2012/13 to 2014/15, together with the Capital Strategy (including the proposed Asset Management Plan and related Building Maintenance and the Highways and Transport capital investment programme).

2. *RECOMMENDATIONS*

Members are asked to approve the report and associated capital estimates and variations for 2011/12 and 2012/13 – 2014/15, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV).

Members are asked to delegate authority to the Assistant Director: Development, Business & Housing to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Environmental & Leisure Services the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members.

3. *SUMMARY IMPACT ASSESSMENT*

COMMUNITY IMPACT	*Do these proposals contribute to specific priority plan objectives?*	
	Yes/~~No~~	*All priorities are covered by the report. The overall budget framework contains funding to support the Council's work to promote*

		Equalities & Diversity across the Borough. As part of the Planned Maintenance funding an allocation had been identified to improve accessibility, and service delivery from the Authority's buildings
	Will the proposals impact on specific groups of people?	
	Yes/~~No~~	*An element of the capital improvements to Council buildings will be focused on improving accessibility. The allocation is prioritised using the full range of asset management data and specifically using the accessibility audits as well as working with Service Heads and the Equalities team.*
TARGET COMPLETION / DELIVERY DATE	*There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme as shown in Annex I.*	
FINANCIAL/VALUE FOR MONEY IMPACT	*Yes/~~No~~*	*Where appropriate these are detailed in the body of the report.*
LEGAL ISSUES	*Yes/~~No~~*	*all proposals are covered by the legislative framework within which the council operates*
OTHER IMPACTS, RISKS AND OPPORTUNITIES	*Yes/~~No~~*	*The Council's current Strategic Risk Register has been considered as part of allocating resources in the overall programme*
IMPACT ON SPECIFIC WARDS	*~~Yes~~/No*	*Proposals affect all wards in the Borough*

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

4.1 This report presents the Council's Capital Strategy for 2011/12 – 2014/15 and later years and a capital programme of £336.092m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2012/13 and the three year Highways & Transport capital investment programme.

4.2 The strategy and programmes address our corporate priorities in conjunction with the service and financial planning strategy. The proposals in this report build upon the major review of the Council's capital expenditure commitments undertaken as part of the "100 Day Budget". This saw the exposure to prudential borrowing reduce by around £35m giving an annual revenue saving of just under £3m pa through the cancellation of some capital projects such as the building of new Civic Offices and the use of additional capital receipts to reduce debt rather than to fund new spending commitments.

4.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2012/13 budget and future projections, while the cost of government supported allocations is currently met through a combination of Revenue Support Grant and direct capital grants, though the former is currently restricted by the government's damping of the Council's grant, no new government supported allocations have been issued for 2012/13 or 2013/14, this is offset by a partial switching to capital grant.

4.4 The Asset Management Plan sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme for 2012/13. The building maintenance programme has been set in accordance with the proposed budget 2012/13 – 2014/15.

5.0 STRATEGIC OVERVIEW

In the short to medium term, Telford & Wrekin Council is in a period of significant transformation and change. The drivers of this are:

- The retrenchment of public spending by the coalition Government - the Council is facing the challenge of making significant savings of £40m over a three-year period whilst trying to protect front-line services as far as possible. Our Service and Financial Planning Strategy sets out our response to this challenge and how these savings are being identified and delivered.

- Becoming a Co-operative Council and ultimately a Co-operative Borough to reshape the relationship between the Council, its employees, the community and partners to:

    - **Improve and bring services together;**
    - **Deliver the things that matter to local people;**
    - **Strengthen and develop our communities;**

Our Co-operative Council "adopter programme" sets out our pathway to becoming a Co-operative Council.

Both of these challenges have required the Council to review its 'priorities' and longer term 'vision' for the Borough as part of its service and financial planning strategy. This has been informed by a broad ranging consultation programme in which we listened to some 3,000 residents and partners over summer 2011. Informed by this and needs analysis of the Borough, our emerging priorities and associated vision for 2020 is:

- **A growing local economy to create jobs -** we will work with our partners to attract greater investment and tourism into the Borough. We want to nurture and keep our own local talent and develop a well educated and trained workforce to work in any new jobs. We will have improved the prospects of 18 to 24 year olds through apprenticeships and work experience.

- **Improved lives for all -** we will make sure that all local people have opportunities to have the best life possible wherever they live and whatever their background. Children and families will be supported to have good lives through good quality education, training and job opportunities. Our programme of rebuilding schools will be completed and we expect to see better results across the Borough.

- **Vulnerable children and adults are protected -** the best place for most children and young people is with their families and in their own communities. Children will be in care for the right reasons. Services for families will be stronger, and will offer support early on. Children in care will be happier and have improved lives and adults will keep their independence in their communities for longer.

- **Clean and well maintained neighbourhoods and streets -** we want to have high and consistent levels of cleanliness across all of our neighbourhoods. The condition of roads and footways will have improved. High quality streetlights will help to lower anti-social behaviour and improve energy efficiency. We will have one of the highest recycling rates in the West Midlands and household waste services will be more efficient and easy to use.

- **Residents feeling safe and proud of where they live** - through partnership working, the level of crime and anti-social behaviour will have continued to fall. We will work with families that display anti-social behaviour and people will not be as worried about this issue and crime. The things that are special about Telford and Wrekin will be celebrated and we will work to develop a stronger local identity. Volunteering will be at the heart of community action and we will work with local people to build respect for the Borough.

- **Housing choices to meet the needs of all -** By 2020 we will ensure that we have enough good quality housing for residents and newcomers into the Borough. New housing developments will help to build sustainable communities and will be well designed. In new housing estates, there will be more affordable housing and mixed social and private housing. We want the condition of privately rented accommodation to be consistently better.

Capital investment clearly plays a key role in the achievement of our local priorities. Through our Asset Management Plan and Capital Strategy **we seek to maximise the value and opportunities of our assets to take forward the delivery of emerging strategic priorities**.

Our Capital Strategy and Asset Management programme are not, however, just about 'concrete, tarmac, buildings etc', they are about making a positive difference to the quality of local people's lives through specific projects, services, technology and facilities. In recent years, key initiatives progressed/ delivered through targeted capital investment include:

- Improvements to roads, pavements and street lighting;
- Redevelopment of the local centres
- Development of new 'state of the art' schools commencing with Abraham Darby Academy and Woodlands Primary

6.0 CAPITAL STRATEGY: 2011/12 – 2014/15

6.1 During 2012/13, we are planning to invest **£95.919m** as part of a **£336.092m** capital programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council's own resources (capital receipts), and Prudential Borrowing by the Council. Over the planning period, our capital programme is as follows:

Priority Area	Total	2011/12	2012/13	2013/14	2014/15	Later Years
	£m	£m	£m	£m	£m	£m
A growing local economy to create jobs	41.854	6.100	27.207	6.854	1.693	0.000
Improved lives for all	213.413	47.328	52.250	56.135	28.236	29.464
Vulnerable children and adults are protected	6.807	2.968	2.917	0.922	0.000	0.000
Clean and well maintained neighbourhoods and streets	26.053	8.345	7.484	6.288	3.936	0.000
Residents feeling safe and proud of where they live	33.463	10.505	3.023	2.135	9.800	8.000
Housing choices to meet the needs of all	6.704	4.625	1.338	0.741	0.000	0.000
Managing the Organisation	7.798	4.398	1.700	1.700	0.000	0.000
	336.092	84.269	95.919	74.775	43.665	37.464

6.2 Supporting Telford & Wrekin's role as a focus for continued growth and development until 2026 underpins all our priorities. This is very much a 'capital' agenda – though it must be supported by the day-to-day delivery of high quality and efficient and improving services for the community - and we will look creatively to utilise local resources such as the Council's land assets and land owned by other partners, and external funding and investment to turn vision into reality.

6.3 Details of the major projects and investments that we are looking to resource are detailed in Annex I. Many of these investments contribute in to the delivery of more than one Priority.

7.0 CAPITAL PLANNING FRAMEWORK

7.1 The Council's Capital Strategy is driven by our shared Vision for the Borough and our Priorities. All our plans and spending proposals (both capital and revenue) are developed within a partnership framework. The capital strategy is seen as a key opportunity to:

- drive forward the Vision and Priorities for the Borough;
- influence the development of the Borough and the actions of other agencies;
- work in partnership with other bodies to pursue national and regional objectives;
- ensure that funding mechanisms are used effectively and external funding maximised;
- maintain and improve the condition and suitability of our assets.

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

- at officer level by the Senior Management Team;
- at member level by the Cabinet.

Progress and the outcomes of capital expenditure are also considered by the Council's scrutiny committees as part of their service and financial performance monitoring role. They also input specifically to the strategy development process through scrutiny of the Draft Budget Strategy.

(i) Approach

7.3 Our approach to the Capital Strategy Process is described below. This process is continually evolving and has been developed to enable the Council to respond effectively to the developments in Capital and Asset Management Planning.

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

(ii) Capital Strategy Process

a) Strategic Review of Needs

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

- The LSP's Vision 2026, Community Strategy and Local Area Agreement;
- The Council Plan/Priority Plans;

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

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

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

b) Strategic Consideration of Priorities, Resources and Resource Implications

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

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

7.8 The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2012/13 has been developed around the following principles and processes:

- **Corporate Strategic Planning Assessment:**

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

- Options Appraisal to Secure Value for Money:

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

c) Detailed Capital Programme

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

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

Annex I sets out details of our committed Capital Programme 2011/12 – 2014/15 and Detailed Analysis of Capital Grants.

d) Control, Monitoring, Performance Management & Review

7.12 A corporate framework for project management exists for capital schemes. Regular monitoring of progress and spend takes place both at service level and corporately. The Asset Management Plan ensures that relevant property PIs have been incorporated into corporate performance monitoring arrangements and into the monitoring of the management of the capital programme. In-year progress is highlighted as part of the reporting arrangements of the Service & Financial Performance Management Framework.

8.0 ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

8.1 The Asset Management Plan (Annex III) and associated data on Property (i.e. condition, suitability, sufficiency, access, asbestos surveys) informs the Council's Building Investment Programme. The Council has completed all surveys for Operational Properties used for the delivery of its services and these are updated on a rolling programme each year. The Council's Asset Management Plan 2011 /2015 has identified a condition backlog of £12.8 million for Operational Properties (excluding schools) and £28.6m for Schools / education properties. The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future Programme (BSF). The Operational Property backlog will also show significant reductions as a result of Property Rationalisation.

8.2 The Building Investment Programme as identified in Annex II, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2012/13 is £1.63m for Educational Assets and £1m for all other Operational Assets. The budget allocations do not take into account the capital investment relating to Schools and the secured investment relating to BSF which will greatly reduce the condition backlog for Education Properties as part of the building rationalisation process. In addition to the above capital allocations, Schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the School building stock on a day to day basis.

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

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

Priority 3
Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of legislation.

8.5 Previous year comparisons

		2007	2008	2009	2010	2011
Schools	P1-P3	£26,491,290	£25,277,205	£27,657,372	£29,352,678	£28,593,580
Operational	P1-P3	£10,173,636	£11,984,120	£10,134,790	£11,080,659	£12,766,526

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

8.6 The proposed level of investment included in the Capital Programme 2012/13 is £1.63m for Educational assets and £1.0m for all other operational assets. The budget allocations do not take into account the capital investment relating to amalgamation of schools and the secured investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process.

In addition to the above capital allocations schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the school building stock on a day to day basis.

The Asset Management Database is analysed on a yearly basis as the priorities may change due to new findings as part of continuing re-surveys of property. Emergencies that occur within the financial year may also lead to reprioritisation of the allocated budgets and a change to the programme identified.

8.7 In accordance with prioritisation as set out in 7.4 Annex II, identifies the building maintenance programme for 2012/13; all schemes listed are priority 1 or priority 2 items, health and safety, or are deemed necessary in order to maintain service delivery.

9.0 PARTNERSHIP AND CROSS CUTTING ACTIVITY

9.1 There is a very well-developed Local Strategic Partnership, bringing together key local organisations and agencies across all sectors. The Partnership is overseen by an 'executive' Agenda Group which comprises the chief officers of the main public, private and voluntary organisations in Telford & Wrekin.

9.2 Partnership working is the framework through which all key local cross-cutting issues are tackled. The Partnership has a range of both 'thematic' and 'area based' sub-partnerships tackling local issues and informed by an extensive programme of consultation.

9.3 The Council actively works with partners to maximise assets For example through various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

10.0 CONSULTATION

10.1 Over the past few months, the Council has been engaging widely with the local community around service and financial planning. Further details are set out in the over-arching Service and Financial Planning report considered by Cabinet on 22 December 2011. As capital programmes are being rolled out there will be a need for further consideration on consultation with the public.

11.0 RESOURCES

11.1 Mainstream Government Supported Borrowing

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

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
Improved lives for all	1.941	0.000	0.000	0.000	0.000
Clean and well maintained neighbourhoods and streets	0.721	0.138	0.000	0.000	0.000
Managing the Organisation	2.000	0.000	0.000	0.000	0.000
Total	4.662	0.138	0.000	0.000	0.000

In the comprehensive spending review the government announced that no new allocation would be issued for 2012/13 or 2013/14.

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

11.2 Supplementary Grants

While information is still awaited on some allocations, the following new allocations have been built into the overall resources position: This takes into account the reduction in grant for Sports and Learning Communities discussed in 6.3 above.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
A growing local economy to create jobs	9.473	1.094	1.496	0.000	0.000
Improved lives for all	33.026	39.064	50.963	22.082	14.047
Vulnerable children and adults are protected	2.653	1.505	0.882	0.000	0.000
Clean and well maintained neighbourhoods and streets	4.242	4.995	4.038	3.936	0.000
Residents feeling safe and proud of where they live	0.262	0.500	1.200	9.300	3.400
Housing choices to meet the needs of all	2.308	0.000	0.000	0.000	0.000
Total	51.964	47.158	58.579	35.318	17.447

11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £110.154m shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Service & Financial Planning Strategy.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
Total	2.683	34.203	36.590	11.278	25.400

11.4 Prudential Borrowing Regime

Within the budget strategy for 2011/12 to 2014/15 the level of Prudential Borrowing assumed is as follows:

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	Later Years £m
A growing local economy to create jobs	-4.068	18.738	-19.932	-1.545	0.000
Improved lives for all	10.843	5.521	-1.390	0.684	1.517
Vulnerable children and adults are protected	0.250	1.200	0.000	0.000	0.000
Clean and well maintained neighbourhoods and streets	3.382	2.351	2.250	0.000	0.000
Residents feeling safe and proud of where they live	5.273	0.373	-4.603	-11.135	4.600
Housing choices to meet the needs of all	2.167	1.338	0.741	0.000	0.000
Managing the Organisation	6.073	-15.313	2.500	9.065	-11.500
Total	23.920	14.208	-20.434	-2.931	-5.383

11.5 <u>Overall Resources Position</u>

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known.

Resources Available	**2011/12 £m**	**2012/13 £m**	**2013/14 £m**	**2014/15 £m**	**Later Years £m**	**Total £m**
Government Allocations						
Improved lives for all	1.941	0.000	0.000	0.000	0.000	1.941
Clean and well maintained neighbourhoods and streets	0.721	0.138	0.000	0.000	0.000	0.859
Managing the Organisation	2.000	0.000	0.000	0.000	0.000	2.000
	4.662	**0.138**	**0.000**	**0.000**	**0.000**	**4.800**
Grant Allocations						
A growing local economy to create jobs	9.473	1.094	1.496	0.000	0.000	12.063
Improved lives for all	33.026	39.064	50.963	22.082	14.047	159.182
Vulnerable children and adults are protected	2.653	1.505	0.882	0.000	0.000	5.040
Clean and well maintained neighbourhoods and streets	4.242	4.995	4.038	3.936	0.000	17.211
Residents feeling safe and proud of where they live	0.262	0.500	1.200	9.300	3.400	14.662
Housing choices to meet the needs of all	2.308	0.000	0.000	0.000	0.000	2.308
	51.964	**47.158**	**58.579**	**35.318**	**17.447**	**210.466**
Other Resources						
Capital Receipts	2.683	34.203	36.590	11.278	25.400	110.154
Revenue/External	1.040	0.212	0.040	0.000	0.000	1.292
Prudential Borrowing	23.920	14.208	-20.434	-2.931	-5.383	9.380
	27.643	**48.623**	**16.196**	**8.347**	**20.017**	**120.826**
Total	**84.269**	**95.919**	**74.775**	**43.665**	**37.464**	**336.092**

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme are built in to the budget summary.

12.0 CONCLUSION

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

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

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

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

Background Papers

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

Report prepared by

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Annex I

Capital Programme 2011/12 to 2014/15 and later years
See attached Excel spreadsheet

Annex II

Property Programme 2012/13

Education Planned Building Capital Works Programme 2012/13

Asset	Description of Works	Estimated Budget	Ward
Donnington Wood Infants	Re-roofing of main school block and partial replacement of curtain walling. The main school roof is in poor condition, the glazing system also leaks and generally the construction is very inefficient from an energy perspective. The proposed works are to re-roof the school, replace elements of glazing system and provide insulation.	£280,000	Donnington
Dothill Primary	Phase 2 Heating installation - The boilers to the main school were replaced in 2011/12 and the proposals are to replace the heat emitters in the class bases as part of the phase 2 investment. This will provide a more efficient heating system and reduce energy usage.	£75,000	Dothill
Lilleshall Primary	Roofing and window replacement - Works have been undertaken in 2011 which included partial roof replacement. As part of the planned Phase 2 work the high level windows over the hall will be replaced as they are beyond economical repair.	£50,000	Church Aston & Lilleshall
Southall Primary	Works to the existing three class base demountable - The demountable is no longer useable due to the poor condition of the roof. The building requires re roofing and redecoration which would provide the school with the required accommodation for their capacity. The works will include insulating the roof to reduce energy costs.	£30,000	Dawley Magna
St Lawrence Primary	Re-roofing of demountable - The existing demountable building roof is leaking which is causing disruption. It is proposed to replace this with an insulated roofing system which would reduce energy costs.	£20,000	Ercall Magna
Haughton Special School	Re -roofing of main school - The main school roof is leaking and beyond economic repair. The project will include re roofing the school with an insulated roofing system to reduce energy costs.	£100,000	Cuckoo Oak
Newport Junior	Boiler replacement - It is proposed to undertake a full boiler replacement including controls and associated pumps and valves. This will reduce the schools expenditure on repairs and heating costs.	£100,000	Newport South
John Randal Primary	Electrical installation replacement - The power and lighting at the school is in need or replacement. The school are undertaking a project to replace light fittings to some areas, from a procurement and economies of scale perspective it makes sense and	£75,000	Cuckoo Oak

	minimises disruption to undertake the two projects under one contract.		
Asset	Description of Works	Estimated Allocated Budget	Ward
John Fletcher	Partial re roofing - the main teaching block roof is leaking which is causing disruption. The proposal is to partially replace the roof covering with an insulated system to reduce energy costs.	£35,000	Madeley
Wombridge Primary	Boiler replacement - The boilers are oil fired, they are inefficient and at the end of their economic life.. It is proposed to replace the existing boilers and associated pumps and valves with high efficiency gas boilers. This will lower costs and also contribute the Councils Carbon Reduction Commitment.	£100,000	Ketley & Oakengates
Teagues Bridge Primary	Curtain Walling Phase 2 - Partial replacement of the curtain walling system was undertaken in 2010. Completion of the curtain walling is planned to be carried out in a final phase in 2013/14 subject to assessment of future budget provision.	£200,000	Wrockwardine Wood & Trench
Tibberton Primary School	Re-roofing of main school block - the existing school roof is beyond economic repair. The proposal is to replace the roof with an insulated system.	£130,000	Edgmond
Meadows Primary	Electrical installation replacement - The power and lighting systems at the school are in need or replacement.	£80,000	Ketley & Oakengates
Various Schools	Data updates - to update the asset management data. This will include condition and suitability surveys and re drawing of plans to buildings as and when upgrades are carried out.	£30,000	Various
Various Schools	Asbestos removals - Carry out asbestos removals within school buildings. The removals will be prioritised using the Asbestos Management survey data.	£100,000	Various
Various Schools	External decoration and preventative maintenance - It is vital to carry out a programme of preventative planned maintenance to minimise future significant capital expenditure. The proposed programme is carry out work to approximately 15 schools per year based on a 4 year programme.	£75,000	Various
Various Schools	Emergency works - budget allocation for emergency works. Examples are major boiler failures. This will ensure that schools are able to remain operational with minimum closures.	£150,000	Various
Total		£1,630,000	

Corporate Planned Building Capital Works Programme 2012/13

Asset	Description of Works	Estimated Allocated Budget	Ward
Various Properties	Emergency Works - A reserved budget to cover landlord responsibilities for major un planned replacements (i.e. boiler failure). This is required to ensure continuation of service.	£300,000	Various
Various Properties	External Painting - It is vital to undertake preventative planned maintenance to minimise future capital expenditure, it is proposed to repaint approximately 15 properties per year based on a 4 year programme.	£65,000	Various
Various Properties	Asbestos Removals - Carry out asbestos removals within Operational Buildings. The removals will be prioritised using the Asbestos Management survey data.	£75,000	Various
Various Properties	Carbon Reduction Commitment Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to 'Salix' grant funding and includes replacement heating controls and monitoring together with lighting and sensor control upgrades.	£75,000	Various
Various Properties	Data Updates - to update the asset management data on operational assets. This includes condition and suitability surveys together with updated plans on 20% of properties.	£30,000	Various
The Place Oakengates	Stage Winch Replacement - The stage winches require replacement as they no longer comply with current H&S requirements.	£60,000	Ketley & Oakengates
Oakengates Leisure Centre	Internal Refurbishment - Works are required to the internal fabric of the building which would include wet side changing rooms, toilets, sports hall floor, lighting and decoration. Assessment of proposed BSF Programme will be carried out.	£100,000	Wrockwardine Wood & Trench
Leegomery Changing Rooms	Showers - The showers are past economic repair and in need of replacement.	£25,000	Hadley & Leegomery
Darby House	Roof Replacement - The roof over Darby House is leaking. It is proposed to replace the roof covering with an insulated system.	£100,000	The Nedge
Wellington Chapel of Rest (Cemetery)	Essential Electrical Works - The electrical installation at the property is in a poor state and requires replacement.	£30,000	Ercall
Stirchley Leisure Centre	Boiler Replacement - the boilers at the property are at the end of their economical life and require replacing. The proposal would be to replace them with high efficiency boilers which would contribute to the council's carbon reduction commitment.	£140,000	Brookside

Total		£1,000,000	

Note- The costs are estimated, actual costs will be established by competitive tendering in accordance with the Councils Financial Regulations with variances managed within the overall budget allocations.

Annex III

Corporate Property Asset Management Plan 2012/2015

FOREWORD by Councillor Bill McClements, Cabinet Member for Resources

Land and Property Assets are a key issue for the public sector and provide a significant contribution to the delivery of the Co-operative Council's vision, ambitions, priorities and services. Through investment, effective prioritisation of planned maintenance and property rationalisation, real improvements are being made across the Borough.

At a time of significant budget constraints, it is important to continue to manage and utilise our Assets effectively, and examine how they can be better used and rationalised. The majority of Council Services are provided indirectly through land and property. Therefore, ensuring that properties meet both our service and staff needs is, of paramount importance.

Refurbishments, improvements and extensions have been carried out to a number of schools including Lawley Primary and a significant extension was completed in 2011 at Newport Girls High School. In addition to this, new developments such as Lightmoor Primary School and Old Park Primary School are providing high quality educational facilities for our young people. Linked to this, Building Schools for the Future funding provides a huge opportunity to transform education and leisure services within local communities.   Progress on the Abraham Darby site continues with the recent opening of the Primary School and Leisure provision in January 2012. We look forward to further developments as part of the overall BSF programme following completion of the BSF programme consultation. We secured funding from the Lawn Tennis Association which facilitated the construction of a new tennis centre on the site of Oakengates Leisure Centre; the facility was opened in April 2011.

Oakengates Tennis Centre

The Regeneration of our Borough Towns, Local Centres and Telford Town Centre are key priorities. The Borough Towns are being developed co-operatively in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment plays an important role and whenever possible, property will be used as a catalyst for change. Wellington Civic & Leisure Centre is due to open in March 2012. This scheme involves a new library, registry office and co located Council services for up to 220 staff as part of our approach to rationalising property.

With Telford Town Centre there are plans to bring a mixed use development linking the Shopping Centre with the Telford International Centre and Telford Town Park. The infrastructure and enabling works are almost complete and the extension to the Telford International Centre was completed in the Summer of 2011. Recently, the Council has submitted a major detailed Planning Application for Southwater including a cinema, hotel, bars & restaurants and a multi storey car park. The Council plans to refurbish the Ice Rink, provide a Community Hub Building to focus public sector services at the Heart of our town centre including a new Library.

Image of proposed Cinema and Hotel from Southwater Square

Property Rationalisation including New Ways of Working will reduce our space requirements by around 20 percent which will significantly reduce revenue costs as well as provide the potential for capital receipts. The use of Darby House and the new Wellington development will be the basis of our office needs with the final buildings being part of a separate assessment in 2012.

The Dawley Regeneration Programme has continued, following the re opening of High Street, Dawley to traffic together with the high quality public realm improvements and major infrastructure works on the brown field 90 acre site which were completed in January 2012. The first phase of its re development is the construction of the new multi million pound investment in a replacement Phoenix School with a site set up planned for March 2012.

Following the fire damage to Malinslee Local Centre, the Local Centre is being rebuilt by the Council and is due to open in Spring 2012. Sutton Hill Local Centre Regeneration was completed in June 2011.

A robust Asset Management Plan will inform decisions relating to Service Delivery, and bring major benefits to local communities.

Councillor Bill McClements, Cabinet Member for Resources

CONTENTS

1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016, and The Central Telford Area Action Plan (CTAAP) was adopted in Spring 2011. The continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management. The Approach to the Asset Management Plan is split into 3 main areas

- Operational Property and associated Land
- Property Investment Portfolio (Property held for investment purposes)
- Land (held for future disposal or future operational use)

The Land Strategy, Operational Property Strategy and PIP Strategy all inter link to form a comprehensive approach to Asset Management covering Council property assets within Telford.

Asset Management Plan - Aims:

- Ensure Assets are fit for purpose
- Maximise the use of Assets
- Ensure Assets are located in appropriate locations for Service Delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property and outline objectives
- Ensure Asset Management decisions are co-ordinated and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess Property Performance and to support and facilitate improved service delivery
- Use land and buildings to facilitate the "Place Shaping" agenda and the enabler of Regeneration in Borough towns, local centres etc
- Optimise and prioritise the level of Property Investment, to meet the Council's current and future service needs
- Promote the innovative use of Property together with partners and stakeholders

2.0 Links to Key Plans and Objectives

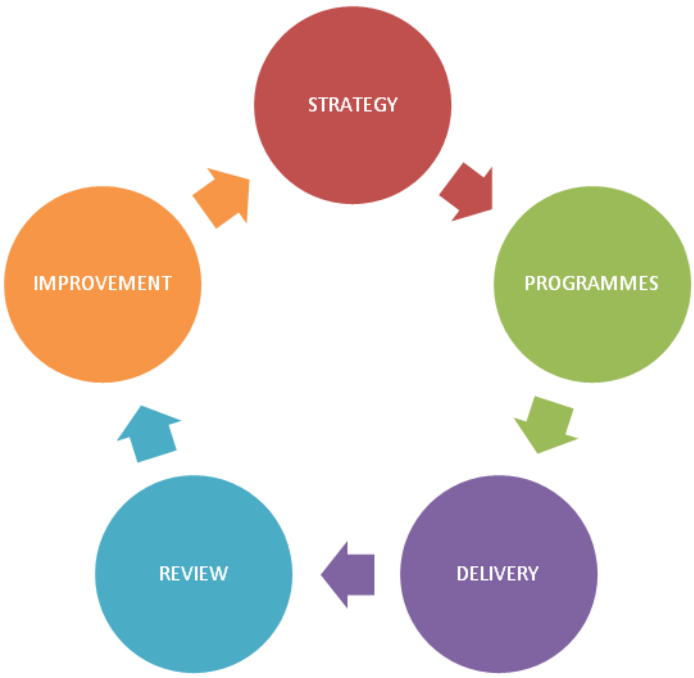
The Council's Co-operative approach details the Strategic Asset Management decision-making links within and across Services:

Strategy

- Understanding community needs and those of our partner organisations
- Corporate policies and priorities
- Service delivery and financial strategies

Improvement

- What are the corporate drives for further change? Co-operative Council, Community Strategy, Council Plan, Priority Plans, Service Delivery Plans, Personal Development Plans
- What are the challenges and opportunities now facing services?



Programmes

Analysis of current performance and future needs including:

- Property Audit to understand current performance and trends
- Options appraisal and prioritisation
- Capital planning

Delivery

- Delivery planning
- Project Management
- Procurement

Review

- Has the change delivered the expected outcomes?
- How are services performing?
- Have the property-related objectives been achieved?

3.0 Data Management

The ability to make informed Property decisions is dependant upon collating and updating accurate data.

Core Data

All Council Property Data is recorded on a Property Management System, which is designed to accommodate all forms of Property Data into a central location. The Property Management software brings all the main functions such as Asset Management, Capital Projects, Service Asset Register and Help Desk software together into one integrated solution. This provides greater exchange of information; and streamlined property database linked to a help desk. The software is Internet based and provides a direct link to customers and stakeholders, enabling access to live information in a user friendly environment.

- The Asset Register:

The Council maintains a central Asset Register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements. A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified. The Property Investment Portfolio is re-valued annually.

- Condition & Suitability

Condition Surveys of all Schools and Operational Buildings have been completed and are re-assessed as part of an on going re-survey process. Property data is captured across all service areas and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented. Similarly, this enables informed decisions on investment disposal.

- Asbestos

A comprehensive Asbestos Database is held incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management Data, ensuring that quality and up to date information is retained. In accordance with the Council's Asbestos Management Plan, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council targets available resources at priority items and manages the risks on site.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of Operational Properties ensuring suitability of premises in relation to Service Delivery has been carried out. The Audits are stored electronically on the central Asset Management Database and are accessible for stakeholders and managers via a web browser. This ensures ownership under the duties imposed as part of the Disability Discrimination Act (DDA).

- Energy and Efficiency

There is a dedicated energy module as part of the Asset Management Software System, which enables analysis of property related energy data. This data feeds into the Property Performance Indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of buildings to ensure resources are allocated in the right areas to reduce the carbon footprint. Carbon Reduction Commitment (CRC) has led to the Council obtaining accurate readings of all energy consumption and staff resources have been established to target high use buildings raising awareness amongst occupiers. The first CRC national league table was published in Autumn 2011 and has placed Telford & Wrekin Council at number 304 out of 2,100 Organisations. The league table ranks the United Kingdom's leading Public and Private Sector Organisations by the work they have done to date relating to carbon management.

This is an encouraging start which will improve as the BSF and Property Rationalisation programmes continue.

The first use of photovoltaics, taking advantage of the attractive feed in rates, has been agreed with a private operator as part of the Wellington Civic & Leisure development. Whether further agreements will be viable under the revised feed in rates will require careful analysis. Also at Wellington, the photovoltaics have been combined with a ground source heating system, which is another first for the Council. In addition, water harvesting has been installed at Hadley, Old Park and Short Wood, together with sedum roofs to minimise water run off. Web enabled monitoring of heating and ventilation at new Schools is proving to be a significant benefit. This controlled regulation should result in meaningful reductions in energy usage, improving efficiency. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Councils carbon footprint.

- Measured Surveys

Accurate, comprehensive, measured Building Surveys are available on AutoCAD for all properties.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management System allows informed, property related decisions. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, access, sufficiency and asbestos, in the following areas (list not exhaustive):

- Review of office accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- BSF
- Property Rationalisation
- Borough Towns and Local Centre Regeneration

Maintenance Programme

The planned Maintenance Programme for 2012/13 has been submitted to Cabinet for approval in February 2012. The Planned Maintenance Programme details the priorities set in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

Option appraisal processes take account of the different outputs required. They will include examining reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises, sharing premises and partnership with the Private Sector or other Public Sector Partners. Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project, than standard economic methods that focus solely on first costs or on operating-related costs in the very short term. Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This results in the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

Telford & Wrekin Council actively considers sustainability as part of asset provision, use and management. Sustainable Procurement Strategy is part of our commissioning approach, and we are innovative in ensuring sustainability is part of all new-build and refurbishment schemes.

Key Issues Addressed in finalising the 2012/13 Capital Investment Programme include:

- The delivery of the Capital Projects to underpin and support improved service delivery
- Property Rationalisation - planned investment in retained buildings to reduce maintenance back log
- Regeneration – support and Project Management to all Regeneration Projects
- Repair and Maintenance Programmes for the PIP will maintain income levels
- Climate Change/Energy Efficiency/CRC

5.0 Operational Assets

Property Rationalisation/New Ways Working

The Council has a diverse range of Land and Property, often of varying standard. The current climate, linked with the spending review and the need to make savings and demonstrate Value for Money has focussed further attention on Property. The various restructures and the reshaping of the Council's services will result in further changes in the requirements for Property and therefore the solution has to be flexible to accommodate change in service delivery. This offers opportunities to review/rationalise Property influenced by Central Government initiatives such as;

- Place Shaping

Using Council Property Assets together with other Public Sector Assets to facilitate further opportunities in significant regeneration benefits across the Borough. Linking to Regeneration Initiatives (section 6) across many towns, communities are enjoying major investments and improved services, under pinned by Property as the catalyst.

- Partnership Working

Under the Total Place Agenda the Council has worked with other Public Sector bodies to bring together the mapping of almost all Public Sector ownership within the Borough. An exercise to identify clusters and opportunities for further co location is being assessed. However, it is recognised that partner organisations may have their own work style, culture and statutory requirements. Flexible accommodation is required to respond to the constantly changing nature of partnerships, and to enable new forms of integrated working to be established. On behalf of the Shropshire Fire Authority, Property & ICT have acted as Client adviser and Project Lead on three projects outside of The Borough. The first two were at Craven Arms and Cleobury Mortimer, which involved extending and refurbishing the existing fire stations. The third and more complex project recently completed was the rationalisation of the Headquarters Building at Shrewsbury by remodelling their current accommodation.

- Sustainability and Environmental issues

Further contributions towards reducing the environmental impact of the Council's operations remain in consideration of "whole-life" value of buildings - the total life costs and material requirements, rather than initial build costs. The strategy will result in specification for office buildings using fewer raw materials, and having lower energy costs; this will enable the replacement of outdated offices with high energy costs, with new efficient smaller premises.

- Efficiency Agenda

Telford & Wrekin Council is planning to achieve 20 percent efficiency savings on non salary budgets. Property running costs are a significant element of this. By consolidating services in a reduced number of Properties through New Ways of Working will contribute to savings.

- Government Challenge

Central Government is challenging all Public Sector Organisations on how and what services they deliver. The property and location that these services are delivered from is a critical element of this challenge. To meet the current challenges, the Council is adopting New Ways of Working Policies to maximise space usage and to share accommodation with partners.

Changing Work Patterns and Culture
There is now a range of office options such as “hot-desking”, touchdown, open plan offices and the creation of flexible team or group-working places that support and encourage a flexible workforce. Many staff are completely mobile and increasingly reliant on ICT. All office accommodation will deliver flexible space and maximise use.

6.0 Regeneration Opportunities Across The Borough

Management of Homes and Communities Agency (HCA) Assets
Chapter 7 Section 3 examines the land holding within Telford. The management of HCA Assets is a significant opportunity to shape how the Borough is developed in line with the localism agenda and to support the new role HCA have as a facilitator and enabler of development. It will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago.

Telford Town Centre

Southwater Infrastructure Works - January 2012

The Regeneration of Telford Town Centre is a key priority for Telford & Wrekin Council, Partners and the Region. The Regeneration will underpin and support growth, stimulate and attract investment in the Borough and create a Town Centre responding to the needs of the community. Outline Planning Consent was obtained in March 2010 and sets the context for Regeneration through the establishment of land use zones to include residential, commercial, bars, restaurants, hotels, retail and leisure. This year, a 5,500 square metre extension to Telford International Centre was completed by Southwater Event Group whilst Telford & Wrekin Council have delivered major engineering works to re-grade the site and bring in services to create a series of plots ready for development as well as define locations for high quality public realm to connect the shopping centre to the Telford International centre and Telford Town Park through Southwater. The new Town Park Visitor centre is progressing very well with a planned opening in Spring 2012.

Town Park Visitor Centre - January 2012

In December 2011, a detailed Planning Application was submitted for an 11 screen cinema, an 82 bedroom hotel, 7 restaurants and a multi storey car park which will be crucial in the development of Southwater as Telford Town Centre's principal leisure destination. In spring 2012 a detailed Planning Application will be submitted for a Community Hub Building which will include a replacement library and the Council's main point of customer access. In addition, significant refurbishment works are planned for the ice rink, to include the creation of a soft play area, a new restaurant unit and an energy centre which will be central to the creation of a district heating scheme within Southwater.

Works to enhance public spaces, through the creation of Southwater and International Squares, a new Main Street and a new and improved Southwater Lake will play a crucial role in linking together these developments in an easily accessible and pedestrian friendly manner.

Borough Towns and Local Centres
The Regeneration of the Borough to stimulate investment and development is critical. With reduced funding there is a need to be creative with the use of our assets to facilitate and achieve this.

<u>Dawley</u>
The Regeneration of parts of Dawley & Malinslee is well underway with the completion of the school amalgamation of two Primary Schools at Old Park Primary in September 2009 together with the opening of the new public realm in High Street, Dawley during November 2010. This is combined with a proposed new retail, health facilities and housing. Another significant contribution will be the bringing back into beneficial use of around 90 acres of spoil mounds and land fill on the edge of Dawley. This was one of the largest civil engineering projects undertaken since the old 'Telford Development Corporation' and involved the movement of 1.3 million cubic metres of material. The overall development of this site will start with the new Phoenix Secondary School on about 25 acres with an adjacent retail development. This will link into the existing High Street bringing much needed footfall to Dawley providing a significant stimulus to place shaping and regeneration. The remaining land will be used for housing and leisure uses.

Land Reclamation at Dawley

<u>Malinslee Local Centre</u>
Malinslee was a typical local parade of shops constructed in the 1970's. It had suffered from anti-social behaviour and was out dated by modern standards. A fire destroyed two of the four shops in 2010. An option appraisal was undertaken to explore alternative forms of redevelopment. In Spring 2011 Cabinet approved the construction of the new centre with the intention of residential development once the housing market returns. Construction started in November 2011 and the build will be completed in Spring 2012. The finished development will include new Primary School, PCT learning facility, play areas and shops.

Wellington
The Wellington scheme combines the existing leisure centre with a new library, registry offices and Council office accommodation which started in March 2010 and is due for completion in March 2012. This has partly been funded through Property Rationalisation. This will support the Regeneration of Wellington by consolidating a significant number of staff in a purpose built, central, land mark building, in partnership with the Town Council thus providing increased footfall to support the local economy. Spurred on by this investment several long term empty shops including the former Barley Mow Pub in Crown Street and the Fox & Hounds Pub in Duke Street are now being renovated and occupied using Private Investment. In Spring 2012 the former Library and Edgbaston House in nearby Walker Street will be marketed as a redevelopment opportunity. Further Properties such as The Mount, Highfield House and 62 Wrekin Road will be marketed later in 2012 as part of the Property Rationalisation process.

Wellington Civic & Leisure Centre

Randlay Local Centre
Randlay local shops were identified as having a structurally unsafe roofing system. Additionally the adjoining Community Centre required substantial investment to bring it up to a suitable modern standard. Again, rather than simply rebuilding or repairing these faults which would have been very costly, the possibility of potential redevelopment was explored. An Outline Planning Consent was obtained and the site put to the market to include new shops and importantly a new Community Centre attached to Randlay Primary School. A residential care operator has purchased the site and construction is due to be completed April 2012.

Construction of Randlay Shops - January 2012

Hadley Local Centre
A multi million scheme to partly demolish (Phase 1 work) the 1970s shopping precinct and provide new retail and high quality public spaces has recently secured Planning Consent. The Phase 1 scheme will remove a number of flats and apartments and retail units and replace with new retail provision including a Tesco Express.

Brookside Local Centre
As part of the Council's co-operative approach, Brookside has been identified as a key area of focus and investment and has become a pilot area for the Council in relation to this initiative. The Centre is 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation will start in February 2012, working with the Co-operative pilot group, Brookside residents, Public Sector Agencies, business and the third sector to look at options for investment in the Local Centre which was identified as a high priority in previous consultation from 2008.

Building Schools for the Future
The Council was awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme. This is a one off chance to completely transform secondary education and community buildings within the Borough. Property & ICT lead and advise on all 'Technical' aspects of this Project and are responsible for delivery of the programme.

In order to deliver transformational change, the Council has considered co locating Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and re locating elsewhere.

In October 2009 after an extensive evaluation process Kier Construction were appointed and work started at Abraham Darby in Spring 2010. This includes a 420 place Primary School which opened in January 2012, a new leisure provision with 4 court sports hall and 6 lane swimming pool which also opened in January 2012 together with a 900 place Academy due to open mid 2012. In November 2011 Kier were appointed to deliver the following schemes:

- New 900 place Phoenix Secondary School together with 8 court sports hall, community sports provision and BMX track. Site setup will be from February 2012 and completion is September 2013.
- Mount Gilbert, Dawley. New skills centre and internal alterations
- Newport Girls High School, Newport. A new multi use hall, removal of demountable classrooms and 4 new class bases.

The reduction in funding announced in October 2010 necessitated a further assessment of the programme. Combined with this and as part of the Government Regulations the BSF contract has to be retendered using Framework 2 as the new format. Using Ercall Wood as the sample school, the process of selecting a new contractor started on the 9 January 2012 with the successful bidder planned to be appointed in the summer of 2012. The suggested changes to the programme are being consulted across the Borough at the present time.

The proposal as part of the consultation includes:

- Ercall Wood - New build secondary school
- Burton Borough- Refurbished secondary school
- Priorslee - New build secondary school
- Oakengates - New build secondary school linked to Oakengates Leisure Centre
- Lord Silkin - New build secondary school
- Charlton - New build secondary school
- Adams Grammar – Refurbishment

7.0 Property Investment Portfolio (PIP)

The Authority holds a number of individual sites for Investment, Regeneration and Economic Development purposes. Details of all assets and their values based on CIPFA valuation principles are contained in the Authority's Asset Register (see Section 10). The PIP has an annual revenue target of £6.2 million.

Independent assessments measuring performance of the PIP are undertaken annually. The most recent report by GVA Grimley completed in July 2010 recognised that, 'The Council's Portfolio out performed the IPD benchmarks by a considerable margin' for the year 2009/10. Challenging times were experienced in 2010/11 with increasing instances of tenant default and falls in market rents below that of five year previous felt across all sectors. As part of their Annual Review, GVA Grimley will be analysing the performance of the portfolio for 2010/11 and the final report will be provided in February 2012. The Estates & Investments Team have continued to support local businesses throughout the recession by offering stepped or incentivised rents and entering into deferred rent payment arrangements. This in turn, has helped to maintain revenue income for the Council and avoid void rates liability. This commercial approach has helped to both maintain Revenue for the Council and safeguard jobs within the Borough's local economy. The Estates & Investments Team continued to enjoy particular success in 2011, despite challenging economic conditions, completing 150,000ft² of new lettings and undertaking a significant number of lease renewals retaining the majority of the Council's tenant's base.

GVA Grimley's assessment and the Spending Review 2010 prompted a compressive review of the PIP. Completed in November 2010, the review identified a number of assets considered to be underperforming in terms of income generation and those where age and condition were a significant drain for the reduced repair and maintenance budget in 2011. The process successfully identified 26 Assets suitable for disposal and placed a further 18 under review. A Disposal Programme has since been developed and is now being implemented through the sale of surplus Assets. The proceeds of these sales are being used to reinvest in modern buildings which are capable of providing income/capital growth, with reduced maintenance liabilities and those that will help deliver new employment opportunities for the Borough. Recent examples include the acquisition of Industrial Units at Queensway which are a high quality Business Park. Such investments will maintain the balanced mix across the property sectors, spreading the overall risk to the Council.

Key Achievements of the Investment Portfolio in 2011

- Estates & Investments re-branded to reaffirm identity in the market place
- New Estates & Investments web site established enabling customers to view all available Land and Property increasing customer awareness of the Estates & Investments Service and the opportunity to generate new business
- Automated email alerts system established capturing all enquiries received via the Estates & Investments web site
- Property Enquiries database established ensuring that every enquiry is actively pursued and the outcome recorded to maximise the opportunity of new lettings
- Tenant's Handbook outlining the standard terms and conditions offered when leasing from the Council updated and made available as a download from the web site
- Assisted customers during the economic downturn, via payment arrangements, agreeing to defer payments and restructuring of leases. This will ensure progress towards achieving income target, and safeguard jobs within the Borough

- Completion of new quality retail facilities at Sutton Hill Local Centre
- All properties previously identified as containing asbestos containing materials re-surveyed
- Disposal of Unit B Stafford Park 2 to 'Inchcape' ensuring the development of a new state of the art Volkswagen Car Showroom and the creation of employment opportunities in the Borough
- Acquisition of modern high quality industrial premises at Queensway Business Park
- Randlay Local Centre development - new shops (see 6 Borough Town Regeneration)
- Malinslee Local Centre development - new shops (see 6 Borough Town Regeneration)

Plans and Developments 2012

- Achieving the Investment Portfolio income target whilst being proactive in assisting clients in the current economic downturn
- Continue with the Property Disposal Programme and reinvestment to ensure long term sustainability of the PIP
- Obtain external assessment from GVA Grimley on the performance of the PIP for the financial years 2010/11 and 2011/12
- Continue to develop and update the Estates & Investments website as a means of attracting new business
- Develop and implement a planned programme of repair and maintenance works, and enforcement of lease covenants. The programme will ensure that the overall condition of assets within the Investment Portfolio is effectively managed.
- Completion of quality new retail stores and Community Centre in Randlay Local Centre
- Completion of quality new retail stores in Malinslee Local Centre
- Commence Phase 1 Regeneration works at Hadley Local Centre to deliver new high quality retail stores
- Completion of Energy Performance Certificates for all remaining industrial properties
- React to legislative changes introduced by The Energy Act 2011 by identifying any properties with the lowest energy efficiency E or F and consider a programme of refurbishment or whether these should be included within the Disposal Programme.
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees at a time of on-going market uncertainty.
- Continued reinvestment in properties for the Investment Portfolio, that offer rental and capital growth, reduced liabilities and improved energy efficiencies.
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance.

- Identifying and securing any external sources of funding, to help finance the development of new investment property.

- Continue to reduce both current and former tenant debt following the introduction of Agresso, the Council's new accounting and financial monitoring system.

- Set and effectively manage Rent, Repair and Maintenance and Service Charge budgets for individual assets.

- Establish links with One Telford to improve after care and business advice given to customers of the Council with further improvement of our rates of retention.

- Refer precedent lease to external solicitors for a 'health check' in order to ensure that the covenants reflect changes in Legislation and continue to protect the Council and enable effective management of the Portfolio.

- A business like approach to managing the PIP with ownership and responsibility. Strong improvements through financial management and property management in the proactive approach to managing the PIP

- Performance Management embedded within the approach to managing the PIP covering a range of areas such as rental income, repair and maintenance, voids, debt management, investment

Land Strategy (Including TWC & HCA)

TWC Land Assets

The Land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc and amount to some 300 hectares (Ha). Specifically, the area excludes the site area of built Operational and Non-Operational Assets (which extends to some 700Ha). The aim of the Land Strategy has been to undertake a detailed appraisal of each individual land asset by collating information from a number of sources into a single database.

The information for each site includes the following key information:-

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

For specific issues such as Planning, regard has been made to the adopted Local Development Framework and the sites current land allocation, together with a view on future development potential.

The information collated has been used to categorise each Land Asset. A traffic light system of categorising has been adopted as follows:

Red	Land suitable for disposal
Amber	Land that may be suitable for disposal will require further investigations before a recommendation is made e.g. Engineering study, Planning Application etc.
Green	Land to be retained

The assessment was completed in 2010 with the detailed appraisal of the 358 Assets categorised as follows:

Category	Number of Assets
Red	17
Amber	107
Green	234

The Assets identified for disposal (red) could be sold through a range of methods including private treaty, informal tender and auction. The timing of the individual disposals will be at a point when best consideration can be achieved as well as taking into account the Council's budget position and following relevant approvals.

The Land Strategy has identified some 107 "Amber Sites" that could be suitable for disposal but where further studies/investigations are required before the assets can be sold e.g. Engineering studies, ecological surveys, Planning applications etc. A programme has been established to investigate these Amber Sites. Assets categorised as Green (land to be retained) will continually be reviewed on a rolling 5 year programme (20% per annum) to ensure that where criteria/circumstances have changed the sites development /disposal can come forward.

The Land Strategy, Operational Property Strategy and PIP Strategy all connect and form the approach to Asset Management within Telford.

HCA Land Assets
The HCA's land ownership in Telford amounts to some 755Ha. These Assets are split between strategic (sites include Lawley, East Ketley & Lightmoor) and non-strategic (which have three distinctions, namely Sites with residential potential, sites with employment potential and other land). In early 2010 the HCA's Land and Property Working Group undertook a review of the HCA's strategic and non-strategic assets and how these might best be managed between the Area and Corporate Teams. Following this, a paper was considered by the HCA's West Midlands Management Board in July 2010 for the future management and disposal of assets. The paper outlined a proposal whereby all or some of the HCA's Assets in Telford could be transferred or managed by T&WC. Positive discussions continue to take place between HCA and T&WC as to how to take this opportunity forward with the management of the commercial land holdings being given to T&WC (subject to approvals) in early 2012.

8.0 Asset Details & Performance

The Statement of Assets is found in Appendix 1. A raft of Performance Indicators are collected and compared with other similar Local Authorities via the Octopus Benchmarking Group. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

In summary, with reducing budgets maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. This has led to a rise in condition back log. However, BSF will substantially reduce the School back log as new and refurbished schools are delivered. On the Operational side, Property Rationalisation will reduce the backlog of outstanding maintenance as services and Staff are concentrated in key modern buildings and old out dated buildings are disposed of.

Energy use as we have seen in Chapter 5 is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco friendly initiatives such as bio mass boilers, increased insulation etc. this has been offset by increasing use of technology powered by electricity in buildings. It is expected that further significant reductions in usage can come from both the BSF and Property Rationalisation Programme which will both utilise modern technologies including photovoltaic technology and ground source heat pumps etc.

Similarly, space utilisation should further improve from current standards as Property Rationalisation gathers momentum (Chapter 5).

Appendix 1

Fixed Assets Utilised by the Council

Category	**Quantity**	**Total Values***
Emergency Planning Centre	1	£200,000
Bus Stations	4	£889,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	12	£1027,500
Community Centres	5	£1,303,500
Travellers' Sites	2	£1,070,000
Hostels, Homeless & Sheltered Accommodation	2	£1,798,000
Ice Rink	1	£1,500,000
Leisure Centres	5	£13,688,000
Libraries	8	£3,202,000
Nursery Schools	1	£279,000
Offices	16	£12,442,750
Outdoor Activity Centre	1	£617,000
Primary/Infants/Junior Schools	52	£95,158,600
Public Conveniences	3	£134,800
Secondary Schools	8	£33,580,000
Academy Schools	5	£5
Ski Slope	1	£367,000
Special Schools	3	£5,738,000
Swimming Pools	2	£1,769,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	6	£2,953,500
Youth Projects	5	£609,000
Pupil Referral Units	1	£430,000
Children Centres	2	£1,860,000
TOTAL	**148**	**£182,396,656**

Operational Property Leased in from Property Investment Portfolio

Property Type	**Quantity**	**Total Values**
Offices	7	See PIP table for asset value
Training / Day Centre	1	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	**Quantity**
Offices	2
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
TOTAL	**4**

Property Investment Portfolio - Details

Property Investment Assets	**Quantity**	**Total Values**
Smallholdings	1	£400,000
Offices	31	£16,872,750
Retail	31	£6,944,200
Industrial	31	£29,429,600
Miscellaneous/Ground Rents/rationalisation	154	£19,834,500
TOTAL	**248**	**£73,481,050**

Appendix 2

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3

General indicator comments as per AMP 2012/2015 with the note that all indicators are available for inspection in Property & ICT and that contained in this AMP report are those considered most appropriate.

Priority 1–3 covers a 5 year maintenance period. The total cost of priority level 1 – 3 works for all Operational Property (including schools) is £41,360,106. The average for the Benchmark Group which comprises similar sized Councils is £62,232,762. The T&WC figure is split as follows:

Operational Property £12,766,526
School Property £28,593,580

Previous year comparisons

		2007	2008	2009	2010	2011
Schools	P1-P3	£26,491,290	£25,277,205	£27,657,372	£29,352,678	£28,593,580
Operational	P1-P3	£10,173,636	£11,984,120	£10,134,790	£11,080,659	£12,766,526

The condition liability for Schools has reduced due to the investment in School stock and the increase in number of Schools becoming an Academy, when a School becomes an Academy the condition liability is removed from the Council.

The liability for Operational Properties has increased as repairs on properties due to be rationalised have not been carried out. This liability will decrease as the Rationalisation programme gathers momentum.

Indicator 2A : Energy costs/consumption
The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA £13.46
Benchmark average £13.57

Previous year comparisons

Year	£ spend per m2 GIA
04/05	£8.08
05/06	£5.91
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00
10/11	£13.46

It is encouraging to see that energy consumption has fallen even though there was a particularly hard winter. The main reasons for this have been awareness campaigns to staff to switch off lights and heating together with energy efficiency measures in buildings when alterations/refurbishments or boiler replacement occurs. Against this, the increasing use of computers and ICT across Buildings has and will continue to increase consumption. Whilst we are just under the benchmark average, Property Rationalisation and Building Schools for the Future will reduce this in 2012/13. New Schools will be built to modern standards and refurbished Schools will have their efficiency improved via better insulation and heating systems.

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TELFORD & WREKIN COUNCIL **CABINET 23 FEBRUARY 2012** **HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2012-2015** **REPORT OF THE ASSISTANT DIRECTOR OF ENVIRONMENTAL & LEISURE SERVICES**

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned Highways and Transport Capital Investment Programme for financial years 2012/13 – 2014/15, in accordance with the Proposed Budget Strategy.

2. RECOMMENDATIONS

2.1 That Cabinet:

i. Approve the planned Highways and Transport investment programme for 2012/13-2014/15 as identified in Appendix A

ii. Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the Assistant Director of Environmental and Leisure Services in consultation with the Cabinet Member for Environment, Cooperative Council & Partnerships.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining the highway network has been identified as a key priority through community consultation. Maintaining an efficient and effective transport network through the Highways and Transport Capital Programme contributes to the delivery of the following current Council Priorities: • Clean and well maintained neighbourhoods and streets • Residents feeling safe and proud of where they live • A growing local economy to create jobs
	Will the proposals impact on specific groups of people?	
	No	The highway and transport network is used by all sections of the community. As far as is practicably possible all schemes aim to meet guidance on accessibility; all maintenance schemes are based on assessments of condition of the highway network and feedback from the local community.
TARGET COMPLETION/DELIVERY DATE	Projects will be delivered during the financial years 2012/13-2014/15	

FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the Highways and Transport Capital Programme is £7.484m for 2012/13 (including capital grants from the DfT Local Sustainable Transport Fund), and funding for future years is outlined in Part B of this report. The programme will use a range of procurement approaches including collaboration with other local authorities to ensure value for money, maximising the impact of available resources.
LEGAL ISSUES	No	There are no direct legal implications arising from this report, the Council has a duty to maintain the highway network and any works will be procured and managed in accordance with financial and contract procedure rules.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The highway and transport network forms a key part of the physical environment that people experience on daily basis. In delivering the programme it is important that all opportunities are explored to maximise the enhancement of the local environment, where it can be done in an efficient and cost-effective way. The Council's Transport Asset Management Plan is currently being updated, but analysis undertaken to date shows that even with the recent and planned additional investment the overall condition of the carriageways network is likely to remain the same, and will deteriorate without additional investment for 2014/15 onwards. Other assets such as street lights, signs and road markings are likely to continue to deteriorate without further investment.
IMPACT ON SPECIFIC WARDS	No	Appendix A of this report outlines schemes to be delivered over the next three years as part of a move to a three-year rolling programme. The list of schemes will be updated annually based on condition surveys and community feedback.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets (including roads, footpaths, bridges, street lights and other highway infrastructure) the Council is responsible for managing and maintaining is around £1bn at present. In developing the Highways and Transport Capital Programme a range of factors are taken into consideration including data on condition, feedback from residents, local parish councils and ward members, programming with other schemes on site, safety and accident history. A draft programme was subject to consultation with ward members and parish and town councils during December 2011. The Highways and Transport Programme is outlined as a three-year rolling programme, Appendix A sets out the funding allocations for categories of infrastructure and lists of schemes where they are known.

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In June 2012 Cabinet will be presented with a report updating on the the Council's TAMP, which will include a summary position on the condition of the Council's highway assets and the long-term investment needed to prevent further deterioration of those assets. Work to date shows that there is likely to be a significant backlog in maintenance of carriageways, street-lighting, bridges and other highway assets, which will require further investment if the condition of the assets is not to deteriorate further. This report will inform future investment decisions for highway maintenance as part of the Council's overall medium term capital investment strategy and will inform the amount of Council investment required in 2014/15 which is currently shown as nil in the table below.

The proposed three-year investment programme is outlined in Appendix A. The total value of maintenance schemes that were identified or requested for inclusion in the 2012/13 programme is over £8.5m, compared to available resources of £4.743m for maintenance; this excludes any schemes that may be added into the programme in future years following further condition surveys and resident feedback. It is likely that there will be a large number of new schemes to be added in future years, based on normal rates of deterioration and requests from communities for road repairs, which can be further exacerbated by periods of cold weather. Due to the pressures on resources in the proposed three-year programme there may be a degree of reprioritisation which means that it may not be possible to deliver all the schemes identified. Table 1 identifies the available capital resources in the approved capital programme to 2015.

Table 1 – Highways and Transport – Available Capital Resources 2012/13 – 2014/15

Source	**2012-13** £k	**2013-14** £k	**2014-15** £k	**Total Three-Year Approved Budget (£)** £k
Council Capital Funding				
Maintenance-	2,000	2,250	0*	4,250
Integrated Transport				
Slippage from 11/12 for committed projects	351			351
Total Council Capital	**2,351**	**2,250**	**0***	**4,601**
DfT Funding				
Maintenance	2,743	2,661	2,506	7,910
Integrated Transport	1,086	939	1,320	3,198
Local Sustainable Transport Fund (confirmed funding)*	924	437	110	1,471
Slippage from 11/12 for committed projects (including RS Grant)	381			381
Total Dft Capital	**5,133**	**4,037**	**3,936**	**13,107**
All Funding				
Total funding	***7,484***	***6,287***	***3,936***	***17,708***

Table 2 summarises the draft programme for 2012/13 to 2014/15 based on currently approved resources (which includes indicative allocations for 2013/14 and 2014/15 from DfT).

* Council Capital funding for 2014/15 will be confirmed in June following the update of the Transport Asset Management Plan.

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Table 2 – Summary of Highways & Transport Capital Programme 2012/13 – 2014/15

Highway Programme Area	12/13 Funding (£k)	13/14 Funding (£k)	14/15 Funding (£k)
Maintenance of Existing Assets			
Carriageway Maintenance (including safety maintenance schemes)	3,127	3,210	1,270
Footway maintenance	385	396	131
Lighting and illuminated signs/bollards	270	270	270
Barriers & Guard Rail Maintenance	20	20	20
Drainage Maintenance	160	160	160
Structures: Maintenance	640	640	640
Signing & Lining: renewal & maintenance	150	150	150
Annual Condition Surveys	85	85	85
Improving and Amending the Highway Network			
New / Upgraded Infrastructure	80	95	176
Sustainable Travel (excluding LSTF)	50	59	174
Local Sustainable Transport Fund (Council match funding)	639	526	446
Local Sustainable Transport Fund (DfT Capital Grant)	924	437	110
Safety Schemes	50	59	124
Public Realm & Street Scene Projects	173	200	200
Schemes carried forward from 11/12			
To be funded from slippage	732		
Total	**7,484**	**6,287**	**3,936**

The principles of the TAMP are around making sure that the Council has as full an understanding as possible of the condition of its highway assets, and using Asset Management Planning to maximise the effect of the available financial resources on improving the condition of the Council's highway assets. In adopting this approach it means the Council may not treat the roads in worst condition first, there may be instances where early intervention can prevent the need for more expensive interventions in future years; therefore in the interest of maximising the effectiveness of resources it may be necessary to allocate resources to parts of the network that are not considered to be in the worst condition. The Council is in discussions with other authorities about greater collaboration in appointing highway maintenance contractors to secure better value for money. To achieve maximum value for money it may be necessary to give flexibility to contractors about the order in which schemes in the programme are done, so that they can make best use of labour, equipment and materials.

The Capital Programme includes a number of improvement schemes including projects that are funded by the Local Sustainable Transport Fund grant of £3.525m for the period 2011/12 – 2014/15

(£1.397m revenue and £2.128m capital). Over thel life of the LSTF programme (2011/12 – 2014/15) the Council is putting in place match funding of £1.4m from its own resources (of which £1.28m is LTP resources), which is drawing in contributions of a further £1.6m of contributions from other organisations in addition to the £3.525m of LSTF grant. The overall funding package means that for £1.4m of council resources the Council is able to deliver a programme of over £6.5m over the period 2011/12 – 2015/15. The LSTF programme includes projects such as the provision of a Park and Ride site for the Ironbridge Gorge World Heritage Site, an upgrade to the bridge between Telford Central Station and Telford Town Centre as well as programmes of support to employers, schools and colleges to promote walking, cycling and sustainable transport use to their premises.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining the highway and transport network is key to ensuring that people are able to travel for work, education, accessing services and for leisure activities. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment. The network is used on a daily basis by residents and visitors to the town and in terms of service use is likely to be the most used service the Council provides. As part of the Cooperative Council approach the process of engaging contractors for the Highways Progamme will include the consideration of supporting local employment and apprentice schemes.

Equalities Impact

Where possible, as part of the capital programme improvements to accessibility will be carried out, such as the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility wherever possible.

Environmental Impact

Environmental improvements are incorporated into schemes where appropriate to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions.

6. PREVIOUS MINUTES

Cabinet 22 September 2011
Local Sustainable Transport Fund

7. BACKGROUND PAPERS

Local Transport Plan 3
Draft Transport Asset Management Plan

Report prepared by Amanda Roberts – Highway Capital Programme Team Leader & Stuart Freeman, Highways & Transport Service Delivery Manager

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List of Proposed Schemes for 3-Year Rolling Programme 2012/13 – 2014/15

	Ward Member Request		Consultation Returns		Technical/ Safety Priority		Newly Adopted

Carriageways Maintenance Capital Programme	
These sites will form the basis of the three year programme. Over the duration of the programme additional sites will come forward for treatment based on their condition..	
Road Name	**Ward**
Bayley Road	Arleston
John Broad Avenue	
Princess Avenue,	
Valley Road	
Watling Street	
Windsor road	
Windsor Road,	
Woollam Road	
Wellington Road	Church Aston & Lilleshall
Park Street	College
Urban Gardens	
Whitchurch Drive	College / Hadley & Leegomery
Stonedale	Cuckoo Oak
Sutton Way	
Cuckoo Oak Green	
Aqueduct Road	Dawley Magna
Avon Close	
Castlefields Roundabout	
Chiltern Gardens	
Crown Street	
Doseley Road	
Holly Road	
New Road	
Purbeck Dale	
Southall Road	
Station Road	
Barclay Court	Donnington
Church Walk	
Ewart Road	
Hayward Avenue	
Morris Drive	
New Trench Road	
Oakengates Road	
School Road	
School Road	
St George's Road	

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Wrekin Drive	
Apley Avenue	Dothill
Old Smithy Road Unnamed Road	Edgmond
Holyhead Road Wrekin Road	Ercall
B5062 Mill Bridge Kynnersley Road Ridgeway	Ercall Magna
Aintree Close Chockleys Drive Chockleys Meadow Church Street Hadley Park Road Haybridge Avenue Haybridge Road Leicester Way Mafeking Road Manse Close Manse Road Parkdale Sunningdale	Hadley & Leegomery
Admaston Road Glebe Street Haygate Road Maddocks Court Victoria Road Vineyard Road	Haygate
Farm Lane Frame Lane Holly Road	Horsehay & Lightmoor
Buildwas Road High Street Jiggers Bank Lincoln Hill St Lukes Road Wesley Road	Ironbridge Gorge
Hamlet Close Hayward Parade Holyhead Road James Clay Court Main Road New Street Sandbrook Sandway Seven Hills Place Station Fields The Incline Waterloo Road Woodside Road	Ketley & Oakengates

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Church Parade	
Wombridge Way	
Bank Road	Lawley & Overdale
Hill Fold	
New Road	Madeley
Old Nursery Close	Madeley
Wrekin View	
Fishers Lock	Newport East
Hallcroft Gardens	Newport North
Fishers Lock	Newport South
Granville Avenue	
Meadow View Close	
Shuker Close	Newport West
New Street	
Roddam Court	
Granville Roundabout	Priorslee / Muxton
Shawbirch Rd	Shawbirch
Church Street	St George's
Freeston Avenue	
Grove Street	
Lincoln Crescent	
London Road	
Snedshill Way	
St George’s Road	
Stafford Street	
The Woodlands	
Willows Road	
Abbey Fields	The Nedge
Arundel Close	
Churchway	
Churncote	
Dale Acre Way	
Grange Avenue	
Naird Roundabout	
Queen Elizabeth Avenue	
Randlay Avenue	
Randlay Avenue	
Randlay Fields	
St Quentin Avenue	
St Quentin Roundabout	
Stirchley Avenue	
Whitworth Drive	
A442 Annual Spring Clean	Various
Woodside Avenue	Woodside
Church Hill	Wrockwardine
Rushmoor Lane	
The Dell	
Wellington Road	
Wombridge Interchange	Wrockwardine.Wood & Trench Ketley & Oakengates
Church Road	Wrockwardine Wood & Trench

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Plough Road	
Stanmore Drive The Bungalows Trench Road Furnace Lane Furnace road Junction with B5061	Wrockwardine Wood & Trench
Lennock Road Pool Road Woodhouse Crescent	Wrockwardine Wood & Trench

Proposed Footway Maintenance Sites	
These sites will form the basis of the three year programme. Over the duration of the programme additional sites will come forward for treatment based on their condition..	
Hayes Road	Arleston
Knightbridge Crescent	Brookside
Abbey Road Avon Close Festival Gardens Hafren Road Johnston Road Leadon Close Pool Hill Purbeckdale Severn Way South View Road Stirchley Lane Tern Close Valley Road	Dawley Magna
Cherrington Road Maslan Crescent Sambook Footpath	Edgmond
Donnington Wood Way St Georges Road	Donnington
Ridgeway, High Ercall	Ercall Magna
Acacia Drive Camarthen Green Cheltenham Court Near Vallens	Hadley & Legomery
Holyhead Road Orleton lane	Haygate
Dawley Road Frame Lane	Horsehay & Lightmoor

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East Road Fifth Avenue Margaret Close Mountside Orchard Close Riddings Close Sinclair Gardens Sixth Avenue Sandbrook The Incline Wombridge Road Wombridge Way Woodside Road	Ketley & Oakengates
Bellpit Road Clares Lane Close Overdale Road	Lawley & Overdale
Brook Road	Madeley
Paths on Malinslee Spine Road Matlock Avenue Coachwell Moor Road	Malinslee
Church Road Satwells Drive	Muxton
Forton Road Hallcroft Gardens	Newport North
Glade Way Harrington Heath	Shawbirch
Fox Avenue Freeston Ave st georges Moss Road Priorslee Road St Georges Road	St. Georges
Arundel Road Daddlebrook Darliston Doddington Draycott Long Meadow Stafford Park 1 to Hollinswood	The Nedge
Roseway	Wellington
B5063 East of Bridge Clee Rise Orchard Close Wrekin View	Wrockwardine

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Broadway Avenue Henley Drive Hollinswood Shop Hortonwood 1 Hortonwood 7 Middle Road Oakwood Drive Pinewood Ave Richmond Avenue Sunbury Drive Tenbury Drive	Wrockwardine Wood & Trench

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Proposed Surface Dressing Sites	
These sites will form the basis of the three year programme. Over the duration of the programme additional sites from the carriageways list will need to be surfaced dressed the year after they have been patched.	
Teresa Way	Apley Castle
Arleston Lane	Arleston
Kingsland	
Aqueduct Lane	Brookside
Brookside Avenue	
Red House to Edgmond	Church Aston & Lilleshall
Church Road	
Halesfield 1	Cuckoo Oak
Dawley Rd /Heath Hill	Dawley Magna
Old Office Road	
Old Vicarage Road / Holly Road	
Willowbank/Gittens Road	
Southall Road	
Doseley Road	
Queens Road	Donnington
St Matthews Road	
Furnace Lane	
Oakengates Road	
New Road/ Church Road	
Severn Drive	Dothill
B5063	Edgmond
Plantation Rd	
Holyhead Road	Ercall
A442 Waters Upton	Ercall Magna
Britannia Way/Castle St / Haybridge Rd	Hadley & Leegomery
Pool Meadow	
Sommerfeld Road	
Chepstow Drive	
Crescent Road	
Grainger Drive	
Mafeking Road	
Manse Road	
Haybridge Avenue	
Holyhead Road	
St Lukes Road	Horsehay & Lightmoor
Lightmoor Road	
Woodhouse Lane	
Pool View	
Woodside Road	Ketley & Oakengates
Mound Way	Madeley
Kemberton Road	
Buxton Road	Malinslee
Brunel Road	
Chesterfield Road	
Lancaster Avenue/Eyton Road	
Matlock Avenue/ Mount Road	

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Bradley Road	Muxton
Wellington Road	Muxton
Boughey Road	Newport East
Hampton Drive	
Masons Place	Newport North
Granville Avenue	Newport South
Church Street	Priorslee
Deercote	The Nedge
Churchway	
Dale Acre Way	
Grange Avenue	
Randlay Avenue	
Stirchley Avenue	
Stirchley Road	
Woodside Avenue	Woodside
Trench Road	Wrockwardine Wood & Trench
Plough Road	
Teagues Crescent	
Pool Road	
Newfield Drive	
Juniper Drive	
Coalmoor Road	Wrockardine

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Proposed Bridges and Structures Programme	
These structures will form the basis of the three year programme. However, over the duration of the programme additional and/or replacement sites will come forward for treatment based on their condition	
Hadley Spider Bridge*	Hadley & Leegomery
Church Road Retaining Wall*	Ironbridge Gorge
Telford Central Footbridge*	Lawley & Overdale
Shawbirch No 2	Wrockwardine
Newport Canal Bridge	Newport North
Longden Upon Tern No 1	Ercall Magna
Brockton No 3	Church Aston & Lilleshall
Forton No 1	Newport North

*to be delivered in 2012/13

Annex IV

Improving and Amending the Highway Network 2012/13	Wards
Infrastructure	
Strategic Signing	Various
ITS upgrades and UTC	
Disabled pedestrian access	
Barriers and Guard Rails	
New footway links	
Local Sustainable Transport Fund Match Funding	
LTSF Large project (Telford Town Centre)	Malinslee Lawley & Overdale The Nedge
Telford Central Interchange Project	Lawley & Overdale
Gorge Connect Park & Ride	Horsehay & Lightmoor Ironbridge Gorge
Telford - Stafford cycle route (NCN55)	Various
Low Carbon Life Skills	
Co-operative Area Travel Plans	
Sustainable Travel	
Bus stop refurbishment	Various
Sustainable travel: Public Rights of Way	
Safety	
Local Safety Scheme	As required
Collision Cluster site investigations	Borough Wide
Speed Indication Devices	Various
Safety Audits and Monitoring	As required
Total LTP funding	**£1.086m**

Annex IV

Schemes Carried forward from 2011/12 (to be funded from slippage)	
Wrockwardine Wood Way Traffic Signals	Wrockwardine Wood & Trench
Holyhead Road (Telford Millennium Community)	Ketley & Oakengates
Park Street Madeley Traffic Management Scheme	Madeley
Review of illuminated signs and bollards	Borough Wide

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2012
COUNCIL – 1 MARCH 2012

2012/13 TREASURY STRATEGY AND TREASURY UPDATE REPORT

REPORT OF THE CHIEF FINANCE OFFICER AND ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report updates members on Treasury Management activities during 2011/12 and details the Treasury Strategy to be adopted for 2012/13

2011/12 Treasury Management Update
The treasury portfolio at the end of December showed overall net indebtedness of £68m (borrowing: £130m less investments: £62m). Base rates have been 0.5% all year with the next move expected to be upwards but not until 2015.

The borrowing strategy for 2011/12 is to use maturing investments to reduce borrowing where possible. To date, two PWLB loans have matured and one entered into to take advantage of favourable interest rates. Short term borrowing has been used to fund short term cash flow requirements.

The investment strategy for 2011/12 is to gain maximum benefit with security of capital being the primary consideration. The weighted average return on internal investments at the end of December was 3.3% compared to a benchmark return for the period of 0.45%. A schedule of investments is shown at Appendix F.

TREASURY STRATEGY
The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code. In compliance, the Treasury Management Policy statement has been updated with additional statements in relation to borrowing and investments.

The Council will be required to borrow up to £14.3m in 2012/13 and will adopt a flexible approach to borrowing. In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing debt, interest rate and refinancing risk as well as borrowing source.

Where possible, maturing investments will be used to reduce the level of additional borrowing which will reduce investment exposure going forward. The strategy for any new investments will be to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved.

The report also includes the Council's Minimum Revenue Provision Statement, which is unchanged from 2011/12 and sets the Prudential Indicators associated with Treasury for 2012/13.

2. RECOMMENDATIONS

Members are asked to note the treasury management activities for the first half year, agree the updated Treasury Management Policy Statement (Appendix A) and approve the Treasury Strategy, including the Annual Investment Strategy for 2012/13 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priority plan objectives?	
	Yes/~~No~~	Efficient Community Focussed Council
	Will the proposals impact on specific groups of people?	
	~~Yes~~/No	
TARGET COMPLETION / DELIVERY DATE	Part of ongoing Treasury Management Activities within the Treasury Management Strategy and Policy approved by Council.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/~~No~~	Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes/~~No~~	The Assistant Director: Finance , Audit & Information Governance and (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Assistant Director: Finance , Audit & Information Governance is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "The Chief financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee."
OTHER IMPACTS, RISKS AND OPPORTUNITIES	Yes/~~No~~	The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.
IMPACT ON SPECIFIC WARDS	~~Yes~~/No	

PART B – ADDITIONAL INFORMATION

4. 2011/12 TREASURY MANAGEMENT UPDATE

4.1 CURRENT PORTFOLIO POSITION

	31 March 2011 Principal £m	31 Dec 2011 Principal £m
Fixed Rate Borrowing - PWLB	70.905	57.023
Fixed Rate Borrowing - LOBO	55.000	55.000
Variable Rate Borrowing - LOBO/market	5.000	17.747
Total Debt	**130.905**	**129.770**
Investments - in-house	75.678	61.643
- with external managers	0.000	0.000
Total Investments	**75.678**	**61.643**
Net Indebtedness	**55.227**	**68.127**

4.2 INTEREST RATES

Base rates began the year at 0.5% and have remained there all year. The Bank of England extended its Quantative Easing programme in October by £75bn to £275bn. The next move in the base rate is expected to be upwards, but not until late 2014 and will be strongly linked to how the economy recovers.

4.3 BORROWING & RESCHEDULING

The borrowing strategy for the current year has been to use maturing investments to reduce borrowing where possible.

Rescheduling

During 2011/12 no rescheduling has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

New Borrowing

During the year 2 PWLB loans have matured one in May for £5m and one in November for £10m. In August a new PWLB loan was taken for £10m for a period of 3 years with repayment of principal at maturity. This was to partially replace the loan that matured in May and the £10m maturity in November given the level of capital programme funding required. The borrowing was undertaken to take advantage of favourable rates.

Between the period 1 June 2011 (previous Member update) and 31 December 2011, £48.8m of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 0.20% to 0.50% - interest rates have remained fairly low during this time.

£12.7m of this temporary borrowing was outstanding at 31 December 2011.

4.4 INVESTMENTS

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

4.4.1 In-House Investments

The majority of the Council's investments are internally managed - a mix of both temporary investments for cash flow purposes and longer term investments are undertaken internally. The target return is to achieve at least the 7 day deposit rate.

Temporary Investments
A proportion of funds are invested by the Council's own officers in order to maximise returns from day to day cash flows

In total £977m of investments were placed between 1 June and 31 December. Interest rates have ranged from 0.25% to 0.80% and periods ranged from overnight deposits to 99 days. £6.643m in house temporary investments were held at 31 December 2011.

Longer Term Investments

A number of internally managed deposits have been made previously as an alternative to fund managers. This has been added to during 2011/12 with a £5m 14 month investment at 2.65%, a £10m one year investment at 2.17% and a £5m three month investment at 1.40%. A full list of longer term investments is shown below.

		£m	%
Fixed Deposit	02/10/08 – 02/10/13	5.0	6.80
Variable Deposit	30/07/08 – 30/07/12	10.0	1.00
Fixed Deposit	03/08/09 – 01/08/14	5.0	6.32
Fixed Deposit	06/03/09 – 06/03/14	5.0	6.31
Fixed Deposit	31/03/09 – 31/03/14	5.0	6.37
Fixed Deposit	22/04/09 – 22/04/14	5.0	6.35
Fixed Deposit	27/05/11 – 27/07/12	5.0	2.65
Fixed Deposit	08/08/11 – 06/08/12	10.0	2.17
Fixed Deposit	04/11/11 – 31/01/12	5.0	1.40
Total		55.0	

It should be noted that under the current guidance from our Treasury Advisors our investment policy would mean that investments should not be placed for longer than 3 months. However the majority of these investments were placed before the start of the financial crisis which resulted in recommended periods for maximum duration being shortened. The council is benefiting from very attractive rates of interest that are no longer available.

Overall the weighted average return on all internal investments for the year to date was 3.30% compared to a benchmark return for the period of 0.45%.

4.4.2 Overall Position and Exposure

A full analysis of all Council investments at the end of December is shown in Appendix F.
Our current maximum exposure is £20.0m with any one counterparty which was agreed when we had 3 fund managers, Counterparty limits will be reviewed when our long term investments mature in 2014. At the end of December the greatest exposure with a single counterparty was £20.0m with Barclays (32% of the total portfolio).

No investments in Supranational Bonds were held at the end of December.

The Council is guided by its Treasury advisers, Arlingclose, in assessing investments.

4.5 LEASING

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

The first drawdown for 2011/12 took place in October for ICT equipment and vehicles. The value of the lease is £0.564m with JCB Finance.

5.	**PREVIOUS MINUTES**
	Audit Committee 1 February 2011 Council 3 March 2011 Audit Committee 27 June 2011 Audit Committee 1 November 2011 Audit Committee 31 January 2011

6. <u>TREASURY STRATEGY FOR 2012/13 to 2014/15</u>

6.1 BACKGROUND

6.1.1 The CIPFA Treasury Management Code of Practice

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Annual Investment Strategy as required under the CLG's Investment Guidance.

The purpose of this TMSS is, therefore, to approve:

- Treasury Management Strategy for 2012/13
- Annual Investment Strategy for 2012/13
- Prudential Indicators for 2012/13, 2013/14, 2014/15 and 2015/16
- MRP Statement.

Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.

As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code at a meeting of Full Council on 4 March 2010.

All treasury activity will comply with relevant statute, guidance and accounting standards.

CIPFA have made some changes to the Treasury Management Policy Statement to include 2 additional statements in relation to borrowing and investments (Appendix A, 2.4 and 2.5). These emphasise that the Council's primary objective in relation to investments is security of capital and also that when borrowing consideration will be given to the management of interest rate risk and refinancing risk. It is recommended that the revised statement is approved.

The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix B), the Prudential Indicators and the outlook for interest rates (Appendix C).

6.1.2 Context

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

The Authority's current level of debt and investments is set out at Appendix B.

The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2015/16. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

6.1.3 Balance Sheet and Treasury Position

The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves, are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/2012 Estimate £m	31/03/2013 Estimate £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
Capital Financing Requirement	249.472	256.922	228.893	218.806	206.502

6.1.4 Interest Rate Forecast

The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at Appendix D. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

6.1.5 Borrowing Strategy

Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Appendix D indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.

The Authority has a gross and net borrowing requirement and will be required to borrow up to £14.3m in 2012/13. The Authority will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

6.1.6 Sources of Borrowing and Portfolio implications

In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

The Authority has £60m exposure to LOBO loans (Lender's Option Borrower's Option) of which £45m of these can be "called" within 2012/13. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan, at which point the Borrower (i.e. the Council) can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with the treasury advisers prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

6.1.7 Debt Rescheduling

The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertaken meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

Borrowing and rescheduling activity will be reported to the Audit Committee in the Annual Treasury Management Report and the regular treasury management reports presented to the Audit Committee.

6.2 Annual Investment Strategy

In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yields earned on investments is important but are secondary considerations.

Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	✗
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	✗
Commercial Paper	✓	✗
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	✗
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	✗

A number of changes have been implemented to investment strategy for

2012/13 in response to changes in the CLG Guidance and evolving conditions in financial markets. This results in the inclusion of corporate bonds which the CLG have indicated will become an eligible non-capital investment from 1st April 2012. However, the principal amendments are in relation to the individual institutions with which the Authority is prepared to lend its funds.

The Authority and its advisors, Arlingclose Ltd, select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions (minimum long term rating of A- or equivalent for counterparties; AA+ or equivalent for non-UK sovereigns) – this is lower than the A+ minimum adopted in 2011/12 and is in response to downgrades in credit ratings below A+ of many institutions considered to be systemically important to the financial system.

Minimum Long Term Rating	Minimum Short Term Rating	Minimum Individual Rating	Minimum Sovereign Rating
A-	F1	C	AA+

- Credit Default Swaps (where quoted)
- Economic fundamentals (for example Net Debt as a percentage of GDP)
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay – or, put more simply, common sense.

Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The countries and institutions that meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in Appendix E.

It remains the Authority's policy to make exceptions to counterparty policy established around credit ratings, but this is conditional and directional. What this means is that an institution that meets criteria may be suspended, but institutions not meeting criteria will not be added.

In the current financial climate the policy adopted will be that as investments mature they will not be reinvested, but be used to minimise borrowing.

Authority's Banker – The Authority banks with HSBC. At the current time, it does meet the minimum credit criteria of A- (or equivalent) long term. Even if the credit rating falls below the Authority's minimum criteria HSBC will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

6.3 Investment Strategy

With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

Money market funds (MMFs) can be utilised, but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF.

6.4 Ethical Investment

The Council will not knowingly directly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations suitably credit assessed.
The Council's lending activity will be subject to (in order of rank)

- The assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy;
- Meeting the Security, Liquidity & Yield criteria as set out in the current Treasury Management Strategy and Compliance with the Treasury Management Practice Statements;
- And investments are not contrary to the values outlined in the Ethical Investment Framework. This is detailed in Appendix G.

6.5 The Use of Financial Instruments for the Management of Risks

Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the authority does not intend to use derivatives.

Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

6.6 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

6.7 2012/13 MRP Statement

6.7.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

6.7.2 The four MRP options available are:

Option 1: Regulatory Method
Option 2: CFR Method
Option 3: Asset Life Method
Option 4: Depreciation Method

NB This does not preclude other prudent methods.

6.7.3 MRP in 2012/13: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

6.7.4 The MRP Statement will be submitted to Council before the start of the 2012/13 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

6.7.5 The Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

And
MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

6.8 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Head of Finance will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows:

- in June, November and February against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- Audit Committee will be responsible for the scrutiny of treasury management activity and practices.

7 Other Items

7.1 Training

CIPFA's Code of Practice requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Reviewing and addressing training needs: The authority regularly reviews the training needs of it's staff involved with treasury management and ensures that staff are appropriately trained.

7.2 Investment Consultants/Treasury Advisors

The Council uses Arlingclose as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review to ensure the quality of any such service is controlled.

8. BACKGROUND PAPERS

CIPFA Code of Practice for Treasury Management in Local Authorities
Temporary Borrowing Records
PWLB records
Investment records
Draft Treasury Strategy provided by Arlingclose
Local Government Act 2003
CLG Guidance on Local Authority Investments
Audit Commission – Risk and Return

Report prepared by
Bernie Morris, Finance Manager (01952) 383702
Ken Clarke, Assistant Director: Finance, Audit & Information Governance (01952) 383100.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Assistant Director: Finance, Audit & Information Governance, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

APPENDIX B

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31/3/12 Estimate £m	31/3/13 Estimate £m	31/3/14 Estimate £m	31/3/15 Estimate £m	31/3/16 Estimate £m
External Borrowing:							
Fixed Rate – PWLB	57.0	30	57.0	51.0	40.0	29.0	28.0
Fixed Rate – Market	55.0	28	55.0	60.0	60.0	60.0	60.0
Variable Rate – PWLB	0.0	0	0.0	0.0	0.0	0.0	0.0
Variable Rate – Market	17.7	9	22.5	12.8	0.0	0.0	0.0
Total External Borrowing	129.7	67	134.5	123.8	100.0	89.0	88.0
IFRS Long Term Liabilities:							
PFI	63.4	33	63.4	62.4	61.0	59.7	58.0
Finance Leases	0.7	0	0.7	0.7	0.7	0.7	0.7
Total Gross External Debt	193.8	100	198.6	186.9	161.7	149.4	146.7
Investments: *Managed in-house*							
Short-term monies (Deposits/ monies on call /MMFs)	36.6	59	25.0	15.0	21.6	13.5	17.9
Long-term investments *(maturities over 12 months)*	25.0	41	25.0	10.0	0.0	0.0	0.0
Total Investments	61.6	100	50.0	25.0	21.6	13.	17.9
(Net Borrowing Position)/ Net Investment position	(132.2)		(148.6)	(161.9)	(140.1)	(135.9)	(128.8)

Appendix C
Prudential Indicators 2012/13 – 2015/16

1 **Background:**
There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. **Net Borrowing and the Capital Financing Requirement:**
This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.
The Assistant Director: Finance, Audit & Information Governance reports that the authority had no difficulty meeting this requirement in 2011/12, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. **Estimates of Capital Expenditure:**
3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Total	**105.470**	**84.269**	**95.919**	**74.775**	**43.665**	**37.464**

**if applicable*

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Capital receipts	8.399	2.683	34.203	36.590	11.278	25.400
Government Grants	43.463	51.964	47.158	58.579	35.318	17.447
Revenue / External contributions	0.436	1.040	0.212	0.040	0.000	0.000
Total Financing	52.298	55.687	82.073	95.209	46.596	42.847
Supported borrowing	0.462	4.662	0.138	0.000	0.000	0.000
Unsupported borrowing	52.710	23.920	14.208	-20.434	-2.931	-5.383
Total Funding	53.172	28.582	14.346	-20.434	-2.931	-5.383
Total Financing and Funding	**105.470**	**84.269**	**95.919**	**74.775**	**43.665**	**37.464**

4. **Ratio of Financing Costs to Net Revenue Stream:**
4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Total	**2.60**	**2.25**	**3.15**	**3.40**	**3.30**	**3.15**

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2011/12 Approved £m	2011/12 Revised £m	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Total CFR	**284.390**	**249.472**	**256.922**	**228.893**	**218.806**	**206.502**

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2011	£m
Borrowing	130.905
Other Long-term Liabilities	65.590
Total	**196.495**

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2011/12 Approved £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £m
Increase in Band B Council Tax	-0.96	-0.53	3.14	3.85	11.63

7.2 The increase in Band B council tax reflects the increases in running costs and/or increases in the provision for Capital Financing Charges of £0.855m by 2019/20 to undertake additional borrowing of £11.979m arising from the proposed capital programme. In the short term there are savings due to the rephasing of existing planned borrowing, but once complete the overall increase in Band B is £12.95.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	**2011/12 Approved £m**	**2011/12 Revised £m**	**2012/13 Estimate £m**	**2013/14 Estimate £m**	**2014/15 Estimate £m**	**2015/16 Estimate £m**
Borrowing	330	240	230	190	170	170
Other Long-term Liabilities	6	6	6	6	6	6
Total	**336**	**246**	**236**	**196**	**176**	**176**

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Assistant Director: Finance, Audit & Information Governance has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Audit Committee.

Operational Boundary for External Debt	**2011/12 Approved £m**	**2011/12 Revised £m**	**2012/13 Estimate £m**	**2013/14 Estimate £m**	**2014/15 Estimate £m**	**2015/16 Estimate £m**
Borrowing	310	220	210	170	150	150
Other Long-term Liabilities	4	4	4	4	4	4
Total	**314**	**224**	**214**	**174**	**154**	**154**

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 4 March 2010.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross and Net Debt:

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

Gross and Net Debt	2011/12 Estimated £m	2012/13 Authorised £m	2013/14 Authorised £m	2014/15 Authorised £m	2015/16 Authorised £m
Outstanding Borrowing (at nominal value)	134.487	123.833	99.999	88.968	87.985
Other Long-term Liabilities (at nominal value)	64.155	63.100	61.742	60.432	58.756
Gross Debt	198.642	187.433	161.741	149.400	146.741
Less: Investments	50.000	25.000	21.600	13.500	17.900
Net Debt	**148.642**	**161.933**	**140.141**	**135.900**	**128.841**

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / total debt net of total investments)

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Guidance note on quantum of acceptable volatility...

	Existing level (or Benchmark level) at 31/03/11 %	2011/12 Approved %	2011/12 Revised %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	25	25	25	30	30	30	30
Local Indicator – Upper limit for net variable rate exposure. (Net principal re gross variable rate borrowing and investments divided by gross borrowing plus investments)	80	80	80	80	60	60	60

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	**Existing level (level at 31/03/11) %**	**Lower Limit for 2012/13 %**	**Upper Limit for 2012/13 %**
under 12 months	14 (19)	0	25
12 months and within 24 months	9 (5)	0	25
24 months and within 5 years	10 (10)	0	50
5 years and within 10 years	3 (3)	0	75
10 years and within 20 years	0 (0)	0	75
20 years and within 30 years	0 (0)	0	75
30 years and within 40 years	0 (0)	0	100
40 years and within 50 years	25 (25)	10	100
50 years and above	39 (38)	15	100

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	**2011/12 Approved £m**	**2011/12 Revised £m**	**2012/13 Estimate £m**	**2013/14 Estimate £m**	**2014/15 Estimate £m**	**2015/16 Estimate £m**
	95	**95**	**95**	**95**	**95**	**95**

Appendix D – Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Official Bank Rate													
Upside risk					0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
1-yr LIBID													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40	2.40
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.30	1.35	1.40	1.50	1.60	1.70	1.80	2.00	2.10	2.30	2.40	2.50	2.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.30	2.40	2.45	2.50	2.55	2.60	2.70	2.75	2.80	2.85	2.90	3.00	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.05	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.40	3.50	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- Momentum in economic growth is scarce.
- Conventional monetary policy has become largely redundant; the Bank of England and the US Federal Reserve have signalled their respective official interest rates will be on hold through to the end of 2012. We think that it could be 2016 before official interest rates rise.
- The Bank of England's Monetary Policy Committee has returned to unconventional monetary policy and embarked on a further round of Quantitative Easing. There will be more to come.

<u>Underlying Assumptions:</u>

- Against a backdrop of turmoil within the Eurozone and the unwillingness of its politicians to acknowledge and issue a credible plan to resolve it the result is that financial markets continue to see saw between risk "on" and risk "off" daily patterns. The reality is that the risk "off" days outnumber the risk "on" days with the implication that the growth outlook is an increasing cause for concern.
- Despite the efforts of the politicians at the Brussels summit, the initial optimism of markets has been punctured as, once again, the lack of credible detail on the delivery of action as opposed to aspirations becomes worryingly clear. The detail appears to amount to the news that President Sarkozy will head to China to secure funds for the extended EFSF.
- The MPC's decision to embark on a further £75 billion of QE – which the Minutes showed was unanimously supported – demonstrated the strength of the economic headwinds that are blowing against the nascent UK economic recovery. For growth to occur you need somebody to spend.

- Inflation increased more than predicted to 5.2% in September. Energy prices continued to be the primary cause although the markets are now less interested in inflation given the economic growth focus. The Bank's Inflation Forecasts still point to a sharp downturn in CPI into 2012 as the index effects of VAT and earlier energy price shocks subside.
- Business confidence has yet to recover sufficiently for commitment to new capital investment and employment. Taken together the levels of unemployment remain very high and are a significant drag on consumption despite reasonably robust retail sales data.
- Q3 GDP is expected to be weak but positive.
- Public Finances remain just about on track to meet the Coalition's target. With the risk of lower growth, there is very little scope for tax giveaways to boost business and consumer spending.

Appendix E – Recommended Sovereign and Counterparty List (Section 8)

- ***Group Limits*** *- For institutions within a banking group, the authority executes a limit at the highest of any of the single banks within that group.*
- ***Sovereign Limit*** *– The Council will only invest a maximum of 20% of the portfolio with each non UK sovereign.*

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m	Council Holding At 31/12/11 £m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	20	20	5
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	20	20	10
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	20	20	20
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	20	20	7
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	20	20	0
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	20	20	20
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	20	20	0
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	20	20	0

Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	20	20	0
Term Deposits / CDs / Call Accounts	US	JP Morgan	20	20	0

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened. The counterparty list was correct as at 1st February 2012.*

TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 2011

	CREDIT RATING		TOTAL £000
Fixed Deposits			
Barclays	UK AAA	F1+AA- B 1	20,000
HSBC	UK AAA	F1+AA B 1	6,643
Lloyds Bank	UK AAA	F1+AA- C 1	15,000
Royal Bank of Scotland	UK AAA	F1+AA- C/D 1	5,000
Santander	UK AAA	F1+AA- B 1	5,000
TOTAL- FIXED TERM AND CASH DEPOSITS			**51,643**
Variable Deposits			
Royal Bank of Scotland	UK AAA	F1+AA- C/D 1	10,000
TOTAL VARIABLE DEPOSITS			**10,000**
Total			**61,643**

SUMMARY BY SOVEREIGN RATING		£000	%
UK AAA		61,643	100
	Total	**61,643**	**100**

Ethical Investment Framework – Telford and Wrekin Council

At the current time the Council's treasury activity consists principally of making short-dated loans to the UK Government (through the Debt Management Agency Deposit Facility) and to banks and building societies which adheres to the S-L-Y principles of (Security, Liquidity and Yield, in that order).

The preservation of capital is the Council's principal and overriding priority. The banks and building societies on the Council's lending list are selected only if the institutions and the sovereign meet a minimum credit criteria. In accordance with its social and corporate governance responsibilities, the Council seeks to support institutions which additionally have an ethical and responsible approach to environmental and social issues including employment and global trade. These "ethical" criteria and their basis are described below.

1. **Environmental and Social Standards**

Equator Principles

The Equator Principles are a voluntary set of guidelines based on the environmental and social standards practiced by the International Finance Committee when evaluating financing projects. Financial institutions that adopt the Principles agree to use a screening process aiming to ensure that environmental and social assessments help inform decisions to finance development projects. This allows signatories to engage proactively with their stakeholders on environmental and social policy issues.

The Equator Principles (EPs) are a screening framework for determining, assessing and managing environmental and social risk in project finance transactions for major infrastructure and industrial projects. The EPs are adopted voluntarily by financial institutions and are applied where total project capital costs exceed US$10 million. The EPs are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. They are based on the International Finance Corporation's performance standards on social and environmental sustainability and on the World Bank Group Environmental Health and Safety Guidelines.

Financial institutions which are signatories to the EPs commit to not providing loans to projects where the borrower will not or is unable to comply with their respective social and environmental policies and procedures that implement the EPs.

The following banks relating to institutions on the Council's lending list have adopted the Equator Principles :

- Barclays Bank
- HSBC Bank plc
- Lloyds Banking Group (parent of Bank of Scotland and Lloyds TSB Bank)
- Royal Bank of Scotland
- Standard Chartered
- Banco Santander (parent of Santander UK plc).

http://www.equator-principles.com/index.php/members-reporting

2. **Human Rights, Labour and Environment**

The **UN Global Compact** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Corporations which sign up to the UN Global Compact are encouraged to themselves embrace and in turn, support and enact, within their sphere of influence, a set of core values which are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The following banks relating to institutions on the Council's lending are participants/stakeholders of the UN Global Compact :

- HSBC
- Royal Bank of Scotland
- Standard Chartered
- Gruppo Santander (ultimate parent of Santander UK plc).

http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html

Limitations to ethical policies :

It should be noted here that the individual institutions which have signed up to the Equator Principles and to the Global Compact screen borrowers before lending for infrastructure and industrial projects.

However, financial institutions also engage daily in money market and interbank lending transactions; the criteria for such lending is based primarily on credit risk assessment (i.e. the assessment of their lending being repaid in full and on time when it is due). Being a signatory to the EPs will not necessarily be a critical feature of such credit assessment and the Council is not in a position to monitor interbank lending. The same applies to an individual financial signing up to the UN Global Compact.

It should also be noted that becoming a signatory of voluntary guidelines (Equator Principle or Global Compact) does not guarantee that that institution's policies and practices are of a better standard than those institutions which are not signatories to the voluntary guidelines.

Activist investment : The Council does not invest directly in shares or in corporate bonds. Not only are such investments inherently higher risk investments, and requires a distinct and separate set of fund management expertise. Under current legislation (SI 2003 No 3146) the purchase of share capital or loan capital of a body corporate is a capital expenditure investment which, on sale or maturity, becomes a capital receipt and is unsuitable for the Council's treasury investments which are primarily the cash management of its operating surpluses and reserves. Corporate bond and equity investments would however be made by the Council's pension fund.

Other than through its pension fund, the Council cannot seek to influence decision making at a company by voicing concerns, engaging in a dialogue with management, or lobbying other shareholders for support. Activist investors attempt to purchase sufficient shares or obtain seats on the board with the goal of effecting major change in the company to make the company more valuable financially or socially (for example to change management policies and adopt better governance; optimise shareholder value through acquisitions/divestitures, be more socially responsible etc).

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favorable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions

- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D** : the obligor is in default as it has failed on its financial commitments.

Bank Individual Ratings

Individual Ratings are assigned to banks that are legal entities. The term "banks" here includes bank holding companies and bank assurance holding companies, bank assurance companies operating as single legal entities, investment banks and private banks These ratings may also be assigned to leasing companies, instalment credit companies, credit card companies, brokerage houses, investment management companies and securities dealing companies, as circumstances demand. These ratings, which are internationally comparable, attempt to assess how a bank would be viewed if it were entirely independent and could not rely on external support. These ratings are designed to assess a bank's exposure to, appetite for, and management of risk, and thus represent the agency's view on the likelihood that it would run into significant financial difficulties such that it would require support.

A: A very strong bank. Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environment or prospects.

B: A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.

C: An adequate bank, which, however, possesses one or more troublesome aspects. There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.

D: A bank that has weaknesses of internal and/or external origin. There are concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects. Banks in emerging markets are necessarily faced with a greater number of potential deficiencies of external origin.

E: A bank with very serious problems, which either requires or is likely to require external support.

F: A bank that has either defaulted or, in Fitch Ratings' opinion, would have defaulted if it had not received external support. Examples of such support include state or local government support, (deposit) insurance funds, acquisition by some other corporate entity or an injection of new funds from its shareholders or equivalent.

Notes: Gradations may be used among the ratings A to E: i.e. A/B, B/C, C/D, and D/E. No gradations apply to the F rating.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements
Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered
In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

Definitions:

1: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

2: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

3: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

4: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

5: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	**Meaning**
Affordable Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Capital Financing Requirement CFR)	This represents the underlying need for the authority to borrow and represent the assets of the authority less the long term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moodys using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that your are conducting your business with.
Debt Management Account Deposit Facility	Provided by the Debt Management Office, users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating.
Derivative Instruments	A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common

	underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from the value of a stock. An interest rate swap is a derivative because it derives its value from one or more interest rate indices.
Discounts	These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early.
Fund Managers	Independent investment managers who work to a specific mandate and invest funds on behalf of the Council
Inflation	The rise in prices of goods and services over a period of time.
Interest Rate Risk	The risk that the value of an investment will change due to changes to the interest rate.
Internal Borrowing	This is where the amount of an authority's borrowing is less than it's CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market.
LIBID	London inter-bank bid rate. Interest rate at which prime banks will **borrow** money in the London inter-bank market.
LIBOR	London inter-bank offer rate. Interest rate at which prime banks will **lend** money in the London inter-bank market. Fixed every day by the British Bankers Association to five decimal places.
Liquidity Risk	The risk of not being able to trade an investment quickly to release cash.
Minimum Revenue Provision (MRP)	This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Obligor	An individual or company that owes debt to another individual or company (the

	creditor), as a result of borrowing or issuing bonds.
Premia	The is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken.
Prudential Code	A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities.
Prudential Indicators	A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority.
PWLB	Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow.
Re-scheduling	This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates
Return	The gain from holding an investment over a given period
Security	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
Sovereign Exposure	Risk of exposure to one particular country.
Supranational Bonds	These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g European Investment Bank and are usually very secure.
Quantative Easing	This is where the government buy back there own gilt issuance to effectively pump money into the financial markets of the economy.

TELFORD & WREKIN COUNCIL

CABINET – 23 FEBRUARY 2012
COUNCIL - 1 MARCH 2012

PRUDENTIAL INDICATORS

REPORT OF THE CHIEF FINANCE OFFICER AND ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE

1. Purpose

1.1 To approve the prudential indicators for 2012/13 to 2014/15 required under the Prudential Code of Capital Finance in Local Authorities.

2. Recommendations

2.1 Members are asked to approve the prudential indicators proposed in this report as part of setting the budget for 2012/13.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priority plan objectives?	
	Yes/~~No~~	Efficient Community Focussed Council
	Will the proposals impact on specific groups of people?	
	~~Yes~~/No	
TARGET COMPLETION / DELIVERY DATE	Prudential Indicators have to be set annually under the Local Government Act 2003.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/~~No~~	Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes/~~No~~	CIPFA's Prudential Code is regarded as mandatory guidance associated with the Local Government Act 2003.
OTHER IMPACTS, RISKS AND OPPORTUNITIES	Yes/~~No~~	The opportunities and risks associated with the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.
IMPACT ON SPECIFIC WARDS	~~Yes~~/No	

PART B – ADDITIONAL INFORMATION

4. Summary

4.1 The Prudential System was introduced from 1 April 2004. Under the Prudential System the Council has to approve Prudential Indicators annually and these are contained in the report.

5. The CIPFA Prudential Code

5.1 In September 2003 CIPFA Council approved and subsequently published the final version of the code (updated in 2009), and the concluding paragraph of its executive summary records;

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

5.2 The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year, and typically over 20 years). This helps ensure stability over the medium term; for example a variable rate loan currently at 4.5% may be less attractive than a fixed rate loan at 4.8% if there is thought to be a reasonable possibility that variable rates will rise above 5.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.

5.3 The code also requires authorities with significant investments to set indicators associated with lending money.

5.4 Practically the remaining paragraphs of this section consider the indicators and recommends what the indicators should be for 2012/13. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2013/14 and 2014/15. In proposing these indicators a pragmatic approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered.

5.5 For each indicator, ***the CIPFA requirements of the code are set out in bold italics.*** The limits proposed by the Chief Finance Officer for 2012/13 are then set out. An explanation is provided, unless the indicator and limits are completely self explanatory.

5.6 Prudential Indicators of Affordability – Ratio Affordability Measure

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

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

Revenue Budget

Year 1(2012/13)	3.15%
Year 2(2013/14)	3.40%
Year 3(2014/15)	3.30%

5.6.3 The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio which then levels out before being expected to increase slightly in 2015/16 (equivalent to an increase in capital financing costs over the next 3 years. This broadly matches the expected increase in prudential borrowing which is noted in 5.10.2).

5.7 Prudential Indicators of Affordability – Incremental Council Tax Affordability Measures

The local authority will

(i) forecast the total budgetary requirements for the authority based on no changes to the existing capital programme

(ii) forecast the total budgetary requirements for the authority with the changes to the capital programme included in the calculation

(iii) take the difference between (i) and (ii) and calculate the addition or reduction to Council tax that would result.

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

5.7.1 The indicator is calculated by taking the estimates of capital included in the Capital Budget Report, assuming it is financed through a mixture of borrowing and use of capital receipts (with interest at 4.5% ongoing, with Minimum Revenue Provision calculated in line with the MRP policy as detailed in the Treasury Strategy Report) and dividing them by the tax base (51,345.1). It also assumes that the only Government Approvals agreed at this stage are those for 2012/13, with those for the latter 2 years being only provisional at this stage. The indicator works on a cumulative basis (i.e. the year 2 indicator includes the full year cost of year 1 expenditure, together with the part year cost of that year's programme), but only part year interest cost in the year expenditure is incurred. The estimate has been split into 3 parts which are expenditure funded by prudential borrowing, capital receipts and government borrowing allocations. No Government Borrowing allocations have been issued for 2012/13 and 2013/14, There are no principal repayments in respect of capital receipts. Only relatively small changes have been made to prudential borrowing from what was considered in 2011/12.

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

Year	**Prudential Borrowing £**	**Government Supported Borrowing £**	**Total £**
2012/13	-0.53	0.00	**-0.53**
2013/14	3.14	0.00	**3.14**
2014/15	3.85	0.00	**3.85**

5.7.3 Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures

This Indicator does not apply to Telford & Wrekin Council.

5.8 ***Estimates of Capital Financing Requirement***

The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:
Estimate of capital financing requirement as at the end of years 1, 2 and 3.

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

5.8.2 Table A shows the estimated cumulative capital financing requirement at a point in time. These estimates now includes the impact of the Public Finance Initiative.

	Total CFR
31/3/2012	£249.5m
31/3/2013	£256.9m

31/3/2014	£228.9m
31/3/2015	£218.8m

5.8.3 The movement in the CFR is consistent with other planning assumptions.

5.9 Treasury Management Prudential Indicators

5.9.1 The Council adopted the revised ***CIPFA Code of Practice for Treasury Management in the Public Services*** at its meeting in March 2010. Treasury Management Practices (TMPs) have been established by the Chief Finance Officer in line with the advice of Sector Treasury Services, and are kept up to date. ***The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code*** is therefore met.

5.10 Capital Expenditure and Capital Commitments Prudential Indicators

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

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

5.10.2 The budget and capital report to Council for 2012/13 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are therefore;

	Supported Borrowing	Prudential Borrowing	Grant Funded	Revenue/ External	Capital Receipts	Total
	£m	£m	£m	£m	£m	£m
2012/13	0.138	14.208	47.158	0.212	34.203	95.919
2013/14	0.000	-20.434	58.579	0.040	36.590	74.775
2014/15	0.000	-2.931	35.318	0.000	11.278	43.665

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

5.11 **External Debt Prudential Indicators**

5.11.1 ***The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:***

***Authorised limit for external debt** = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.*

5.11.2 The recommended Authorised Limit for External Debt for:

Year 1 (2012/13) is £230m for borrowing and £6m for other long term liabilities

Year 2 (2013/14) is £190m for borrowing and £6m for other long term liabilities

Year 3 (2014/15) is £170m for borrowing and £6m for other long term liabilities

5.11.3 This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

5.11.4 Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

5.12 ***Operational Boundary***

The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

***Operational Boundary** = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.*

5.12.1 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem.

5.12.2 The Recommended Operational boundary for External debt is

Year 1 (2012/13) is £210m for External debt for and £4m for other long term liabilities

Year 2 (2013/14) is £170m for External debt for and £4m for other long term liabilities

Year 3(2014/15) is £150m for External debt for and £4m for other long term liabilities

5.13 **Interest Rate Exposure**

5.13.1 ***The local authority will set, for the forthcoming year and the following two years, limits to its <u>exposures</u> to the effects of changes in interest rates. These prudential indicators will relate to both fixed interest rates and variable interest rates and will be referred to respectively as the upper limits on fixed and variable interest rate exposures.***

5.13.2 There is no requirement in the code to set lower limits; however, given the risks associated with having excessively high relatively short fixed, or variable rate borrowing, it is suggested that lower limits are set locally for longer maturing fixed rate borrowing.

5.13.3 ***<u>Variable rate exposures</u>***
Borrowing that is at variable rates LESS Investments that are variable rate investments

We have a proportion of our investments that are at variable rates and exceed in total the level of debt we currently have at variable rates (historically a high proportion of debt has been at fixed rates). The limits proposed are as follows;

	Net Variable Limit %
2012/13	30
2013/14	30
2014/15	30

5.13.4 The upper limit replaces the existing (1989 Act) Section 44 limit “the maximum proportion of borrowing which is subject to variable rate interest”. Whilst 30% has been set forward as a limit, in practice it would be unusual for the exposure to exceed 15%. Limits for years 2 & 3 assume no substantial change in market conditions.

5.13.5 Because of our position in having a number of investments it would be helpful to set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. For the purposes of this local indicator supranational bonds are treated as fixed investments as they are accounted for as such. The limit proposed would be as follows;

	Upper Limit
2012/13	80%

2013/14	60%
2014/15	60%

5.13.6 ***Fixed Interest Rate Exposure***

The local authority will set, for the forthcoming year and the following two years, both upper and lower limits for its exposure to fixed interest rate risk calculated as follows and each expressed as total borrowing less total investments:

Fixed interest rate exposures
Borrowing that is at fixed rates LESS Investments that are fixed rate investments

Expressed as a percentage or absolute of total borrowing less investments.

5.13.7 The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows;

Fixed Rate Risk

	Upper Limit	Lower Limit
2012/13	100%	70%
2013/14	100%	70%
2014/15	100%	70%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate, although in practice this would be unusual. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

5.14 ***Prudential limits for the maturity structure of fixed rate borrowing***
The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows

Amount of projected borrowing that is fixed rate maturing in each period
Expressed as a Percentage of
Total projected borrowing that is fixed rate at the start of the period.
where the periods in question are

- ***Under 12 months***
- ***1 year and within 2 years***
- ***2 years and within 5 years***
- ***5 years and within 10 years***
- ***10 years and within 20 years***
- ***20 years and within 30 years***
- ***30 years and within 40 years***
- ***40 years and within 50 years***
- ***50 years+***

5.14.1 The proposed prudential limits are as follows;

Period (years)	Lower Limit %	Upper Limit %
Under 12 months	0	25
1-2 years	0	25
2-5 years	0	50
5-10 years	0	75
10-20 years	0	75
20-30 years	0	75
30-40 years	0	100
40-50 years	10	100
over 50 years	15	100

5.14.2 Whilst these are the proposed limits, as a broad longer term strategy, in any financial year borrowing would normally be managed to end the year with the maturity profile broadly as follows;

Maturity	Broad Indicative Range	Actual % for 31/03/11
Under 12 months	0-15% of all borrowing	19%
1-2 years	0-15%	5%
2-5 years	5-15%	10%
5-10 years	5-20%	3%
10-20 years	5-20%	0%
20-30 years	5-20%	0%
30-40 years	5-20%	0%
40-50 years	10-40%	25%
Over 10 years	20-90%	38%

5.14.3 Under the investment guidance issued by CLG the Council needs to set indicators for ***principal sums invested for periods longer than 364 days*****.** It is recommended that we set the following limit

Maximum principal investment that can be invested for more than 364 days

Financial Year	Upper Limit
2012/13	95%
2013/14	95%
2014/15	95%

6. Financial Implications

6.1 The prudential indicators provide a framework in 2012/13 in which the Council conducts its treasury activities, consistent with good treasury risk management.

6.2 The code indicates that "in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios." The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.

6.3 The code requires the following matters to be taken into account when setting or revising prudential indicators

(a) option appraisal for all projects, i.e. value for money
(b) asset management planning, i.e. stewardship of asset
(c) strategic planning for the authority, i.e. service objectives
(d) achievability of the forward plan, i.e. its practicality
(e) implications for external borrowing, i.e. prudence
(f) implications for Council Tax and housing rents, i.e. affordability.

Items (a)-(c) are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Items (d) and (f) in financial terms have been taken account of by the Chief Finance Officer in presenting the budget and item (e) is inherent to the prudential indicator setting process.

7. Background Papers

Local Government Act 2003
CIPFA Prudential Code for Capital Finance in Local Authorities
Guidance on Local Authority Investments

Mixed and sustainable communities with an increased supply of new housing, improved existing homes, and a high quality physical environment

HoS area	Ind ref	Proposed indicator	Shared Indicator / Measure?	Shared with PP No(s):	2010/11 outturn	2010/11 target	Target 2011/12	2011/12 6-month outturn	2011/12 projection	Projected to meet/exceed target?	Direction of Travel from year end 2010/11	Comments
MB	LHCS48	Enable additional units of extra care housing	No		0	7	30.0	0	59	Yes	Improving	
JR	LMD21	Promise 3 - We will complete 99% of refuse and recycling collections on the programmed day	No		100	99	99	99.9	100	Yes	No Change	
JR	LMD22	Promise 2 - We will remove fly tips from council land within 2 working days	Yes	5	100	100	100	100	100	Yes	No Change	
JR	LMD23	Promise 1 - We will make safe all identified dangerous potholes by the end of the next working day	Yes	1	71	100	100	100	100	Yes	Improving	Recent changes to working practices has seen a steady increase in repairs of dangerous potholes being dealt with within 24 hours of being identified as such. September figure was 100%, lower projection than of 90% reflects poor start to year.
JR	LPE10	Promise 4 - We will remove all dangerous and burnt out vehicles on public land within 24 hours of them being reported	Yes	5	100	100	100	100	100	Yes	No Change	
MB	LPE18	Meet the target for compliance with Buildings for Life standard	No		100	25	33%	100	100	Yes	No Change	1 scheme has been reviewed so far this year and has met the standard. It is not expected that any schemes that will be completed between now and the end of the year will fall below the required atandard.
JR	LPE7	Promise 5 - We will remove all racist and offensive graffiti within 2 hours of it being reported.	No		100	100	100	100	100	Yes	No Change	
MB	NI 185	CO2 reduction from Local Authority operations	No		4.73	3	6%	Not available	6.0	Yes	No 10/11 Outturn	NI 185 has now been replaced with 'Total GHG Emissions' which is reported to DECC once/year in July. 2011/12 Data will be available by July 2012 in time for the next reporting period. This change resulted in the need to 're-scope' carbon emission data, which is presented in table below, along with the reduction targets established as part of NI 185 (Note: the latest priority plan has 3% for 2010/11).There is a need to revise the targets in line with the new scope and this will be addressed as part of the review of the councils Climate Change Strategy. As illustrated in the chart below, emissions have gradually reduced over the years and there is a positive downward trend. Whilst this is set to continue it is difficult to quantify at this stage as data collection will not commence until the end of the financial year.
JR	NI 191	Residual household waste per household	No		664	829	730-737kg	218.2	600	Yes	Improving	
JR	NI 192	Percentage of household waste sent for reuse, recycling and composting	No		44	38	42	47	44	Yes	No Change	
JR	NI 193	Percentage of municipal waste land filled	No		57	64	62	53.1	56	Yes	Improving	
JR	NI 195a	improved street and environmental cleanliness (levels of litter)	Yes	5	3	8	4	2	3	Yes	Improving	

Mixed and sustainable communities with an increased supply of new housing, improved existing homes, and a high quality physical environment

HoS area	Ind ref	Proposed indicator	Shared Indicator / Measure?	Shared with PP No(s):	2010/11 outturn	2010/11 target	Target 2011/12	2011/12 6-month outturn	2011/12 projection	Projected to meet/exceed target?	Direction of Travel from year end 2010/11	Comments
JR	NI 195c	Improved street and environmental cleanliness (levels of graffiti)	Yes	5	0	1	1	0	1	Yes	Worsening	
JR	NI 195d	Improved street and environmental cleanliness (levels of fly posting)	Yes	5	0	1	1	0	1	Yes	Worsening	
MB	NI 197	Improved local biodiversity - active management of local sites	No		44	35	45%	44	45	Yes	Improving	6 month outturn is unchanged from 2010/11. Information on management gathered during summer survey season is being collated by Shropshire Wildlife Trust and will be submitted in the autumn to allow the figure to be updated before year end. A small improvement is predicted.
MB	LER9	Exceed Natural England's standard for accessible natural green space of 1 ha of Local Nature Reserve per 1,000 population	No		1	1	1.4ha	1.13	1.3	No	Improving	
MB	NI 154	Net additional homes provided	No			522	968.0	275	651	No	No 10/11 Outturn	6 month outturn to be verified by 2nd Quarter completion monitoring (due end of Oct)-968 from Housing Trajectory
MB	NI 155	Number of affordable homes delivered (gross)	No		202	250	250.0	71	202	No	No change	Whilst the target will not be achieved it was set in a very different context and intended to be progressive. The market place is very challenging, but we have also seen a much more buoyant position re. year on year increases in delivery overall compared to the majority of the West Midlands and national picture.
JR	NI 195b	Improved street and environmental cleanliness - levels of detritis	Yes	5	8	7	5	11	10	No	Worsening	Target gas been reduced to 10 due to revised sweeping programme from 5 times a year to 3 times
MB	C&YP Plan 5d	Reduce the number of B&B accommodation for all 16/17 year olds	No		4	2		6	7	No Target	Worsening	The projected increase in the number of 16/17 year olds in B&B accommodation is largely due to the increased number of presentations by this group. This can mainly be attributed to the following issues: • Increasing number of family exclusions/breakdowns • An increased number of 16/17 year olds coming out of the prison system • Increased numbers of children in need being passed onto the Housing Needs team • Changes in the benefits system meaning more NEET's are excluded from the family home
MB	LHCS49	Additional units of other specialist social/affordable housing	No		0	54		0	14	No Target	Improving	
MB	LHRP5	Redevelopment of the former Courts Site (186 dwellings)	No		37	93		10	29	No Target	Worsening	6 month outturn to be verified by 2nd Quarter completion monitoring (due end of Oct)-site struggling with sales
MB	NI 156	Number of households living in temporary accommodation	No		57	50		63	62	No Target	Worsening	The projected increase in this indicator is mainly due to the increasing downturn in the current economic climate meaning more families are unable to keep up with their regular payments and find themselves homeless and the increases in the number of 16/17 year olds presenting themselves as homeless.
JR /CJ	NI 196	The year-on-year reduction in total number of incidents and increase in total number of enforcement actions taken to deal with 'fly tipping'	Yes	5	1	3	2.0	2	2	Yes	Worsening	fly tipping occasions which contain metal items has decreased in recent years due to the value of scrap metals increasing. The council continues to investigate fly tipping occasions which may lead to identifying the perpetrator".

Mixed and sustainable communities with an increased supply of new housing, improved existing homes, and a high quality physical environment

HoS area	Ind ref	Proposed indicator	Shared Indicator / Measure?	Shared with PP No(s):	2010/11 outturn	2010/11 target	Target 2011/12	2011/12 6-month outturn	2011/12 projection	Projected to meet/exceed target?	Direction of Travel from year end 2010/11	Comments
MB	LHCS28	Number of non-decent private sector dwellings made decent as a direct result of action by the local authority	No		331	95	95.0	64		Yes	No 11/12 Projection	The end of year figure should exceed the set target. The predicted figure does not include any "help through warmth" properties as these have been funded through an external source that will not continue past 2011/12. The reported figure show the properties that have been made decent through Telford & Wrekin funding only
MB	NI 157a	Processing of major planning applications	No		71	61	63%	46.0		No Projection	No 11/12 Projection	

TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2012

SIX MONTH PERFORMANCE REPORT

REPORT OF MANAGING DIRECTOR

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1. To present an overview of 'performance at 6 months' against the Council's interim priorities and to commence the process to identify a basket of core indicators to inform the Council's improvement agenda.

2. RECOMMENDATION

2.1. That Cabinet consider the performance information in this report to identify:

- areas/issues where they require further information or understanding
- a proposed basket of performance measures on which to focus improvement

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	*This report identifies progress against each of the Council's interim priorities*
	Will the proposals impact on specific groups of people?	
	Yes	*The Council's priorities will impact across all sections of the Borough – including work to support and protect the most vulnerable in the community.*
TARGET COMPLETION/DELIVERY DATE	*Assessing progress against the Council's priorities is an ongoing progress. An end of year review will be undertaken.*	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	*Service & Financial Planning reports are presented regularly to Cabinet and include the overall financial position for the Council which links to the Council's priorities.*
LEGAL ISSUES	Yes	*The Council has a legal duty under the Local Government Act 1999 to secure continuous improvement in the way in*

		which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It should take into account the Best Value Statutory Guidance (Sept 2011) issued by the Government.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	*The scope of the interim priorities will impact on many aspects of life in the Borough including the environment, economy and community cohesion. The actions all impact on the Council's reputation.*
IMPACT ON SPECIFIC WARDS	Yes	*Borough-wide impact.*

PART B) – ADDITIONAL INFORMATION

4. Corporate Performance Framework

4.1. Over the past 12 months a series of changes and developments have influenced the performance measures used by the Council to understand progress against its strategic objectives. These include:

- The removal of the National Indicator Set – although this has reduced the burden on one-hand, on the other the Government has introduced a compulsory basket of datasets which authorities must submit. Government are also developing a set of social care, health and public health performance indicators and it is very likely a new safeguarding children indicator set on the back of the Munro Review.

- The new administration has made the decision to introduce a new series of Council priorities. We are currently consulting on a new set as part of the current budget consultation. Once agreed these will be adopted by the Council for 2012/13. The adoption of the new priorities will require us to develop a set of performance indicators which measures progress to deliver them. As part of this we are proposing that a small basket of indicators is developed which are at the heart of what the Council is trying to deliver and improve (similar to the LAA model without the reward grant).

4.2. Whilst consultation continues to inform the development of a new set of priorities for the Council, as a stop-gap a basket of pre-existing indicators has been aligned to the interim Council priorities identified by the administration in the '100 day budget report' (it should be noted that some measures are aligned to more than one priority). These are:

- **Telford and Wrekin will be a great place to do business with higher levels of investment and business growth**
- **Lower levels of poverty and social exclusion and greater well-being of households through higher numbers of residents in employment**
- **Vulnerable Children, young people and adults are safeguarded from harm and neglect**
- **Even More children and young people are on the path to success in adult life through the provision of good quality education, training and jobs**
- **A safe and cohesive place where people are empowered and have the confidence to play active roles in their communities**
- **Improved health of people which enables them to live active, positive and independent lives**
- **Mixed and sustainable communities with an increased supply of new housing, improved existing homes and a high quality physical environment**

4.3. This report sets out progress against these interim community priorities at 6 months – and one about the organisation "Co-operative Council". In **considering this report, Cabinet are asked to identify an initial basket of measures which they feel that the Council should be concentrating on driving improvement against.**

4.4. It is proposed that the next corporate performance report will be "year-end" and be aligned to the new priorities. Our focus on the interim will be to develop a refreshed performance framework.

5. Interim Priorities: 6 month performance

5.1. Appendix One presents performance indicators at 6 month monitoring for which data was available.

Priority 1 Telford and Wrekin will be a great place to do business with higher levels of investment and business growth

5.2. Areas of improvement for this priority include:

- Workforce employed in knowledge economy occupations has exceeded the 2011/12 target and has seen improvement from 2010/11. However, we are currently below the regional (40.8%) and national (44.8%) figures.
- New business registration rate show an improvement from 2010/11 outturn.

5.3. The following indicators have all exceeded their 2011/12 target but have seen no change from 2010/11 outturn:

- Keep GVA at 4.5% above West Midlands average

- Workforce employed in manufacturing
- Workforce employed in banking, finance and administration
- % of Tourism related jobs

5.4. The overall employment rate (working-age) shows a decrease by 2% points. We are currently equal with the regional (67%) and below the national (70%) figures.

<u>Priority 2 Lower levels of poverty and social exclusion and greater well-being of households through higher numbers of residents in employment</u>

5.5. There has been a positive direction of travel for 16 - 18 year olds who are not in education, training or employment. Similarly, Care leavers in education, employment or training shows an improvement from 2010/11 and has exceeded the target for 2011/12.

5.6. 6 month outturns show that performance worsened compared to 2010/11 for:

- Time taken to process Housing Benefit/Council Tax Benefit new claims and change events, although over the same period there has been an unprecedented increase of the benefit caseload by 18% in the last two years. The result of which is that although new claims are still being assessed within target, change of circumstances have increased slightly.
- Working age people on out of work benefits

<u>Priority 3 Vulnerable Children, young people and adults are safeguarded from harm and neglect</u>

5.7. The following indicators have seen an improvement from 2010/11 outturn and are projected to exceed their 2011/12 target:

- People who felt they had been fully involved in their assessment and deciding their care package
- People who felt they were treated with dignity and respect throughout the assessment process
- Proportion of referrals to adult social care which are closed following provision of advice/information or are referred to another agency
- Proportion of people in contact with learning disability services who are in settled accommodation
- Percentage of looked after children in placement for 2 or more years, year ending 31 March
- Percentage of looked after children who had 3 or more placements in 12 months year ending March 31. Whilst performing well to date, plans to reduce external placement spend and increase number of internal foster carers may result in children moving placement to internal provision.

5.8. Indicators within this priority where performance is not on target or are likely to deteriorate are:

- Children becoming the subject of Child Protection Plan for a second or subsequent time 8 Children have become subject to a CP Plan for the second time, within a year of being ‘de-planned’. Compared to 10/11 during the same period there has been an improvement proportionately. However, more detailed work is planned to better understand this trend.
- Percentage of looked after children cases reviewed within timescale (subject to a LEAN process review) and percentage of referrals to children’s social care going on to initial assessment.
- Proportion of children with a statement
- Number of Looked After Children

Priority 4 Even more children and young people are on the path to success in adult life through the provision of good quality education, training and jobs

5.9. Positive measures for this priority include:

- Narrowing the gap between the lowest achieving 20% in the EYFS shows improved performance and is set to meet the 2011/12 target.
- We are also set to meet target for % half days missed due to total absence in primary schools. Similarly, % of half days missed due to total absence in maintained secondary schools is set to meet the target.
- KS4 attainment for Minority Ethnic Groups (Pakistani) shows that there is an improvement in performance compared to the previous year (provisional data).
- Achievement of L4+ in both English and Maths at KS2
- Progression of 2 levels in English between KS1 & KS2

5.10. The following indicators are not set to meet 2011/12 target and show that performance is worse in 2011/12 compared to the previous year:

- Looked after children achieving L4+ including English at KS2 *(Provisional Information. Information based on 10/11 Academic Year)*
- Looked after children achieving L4+ including Maths at KS2
- Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Provisional data)
- Percentage of KS4 pupils eligible for free school meals achieving 5A*-C including English and Maths (GSCE or equivalent) (Provisional data)
- KS 2 attainment for Minority Ethnic Groups (Pakistani) (Provisional data)

Priority 5 A safe and cohesive place where people are empowered and have the confidence to play active roles in their communities

5.11. Areas where performance has improved include:

- Flex Card Usage from Senior Citizens (60+) at Leisure centres shows an improved performance compared to the 2010/11 and is projected to exceed the 2011/12 target.
- Serious acquisitive crime rate
- Assault with injury rate
- Number of projects which support vulnerable priority community groups
- Street and environmental cleanliness (levels of graffiti, levels of fly posting, levels of litter)
- There has also been a year-on-year reduction in the total number of incidents and an increase in total number of enforcement actions taken to deal with 'fly tipping'.

5.12. Street and environmental cleanliness - levels of detritus is not on target, however this will reflect cuts made to the provision of this service and is likely to decline year on year.

Priority 6 Improved health of people which enables them to live active, positive and independent lives

5.13. The following indicators have reported both an improvement to the previous year's outturn and also meeting/exceeding the 2011/12 target:

- People who felt they had been fully involved in their assessment and deciding their care package
- People who felt they were treated with dignity and respect throughout the assessment process
- Flex Card Usage from Senior Citizens (60+) at Leisure centres
- Proportion of referrals to adult social care which are closed following provision of advice/information or are referred to another agency
- Proportion of people in contact with learning disability services who are in settled accommodation
- Number of carers receiving services

5.14. Obesity in primary school age children in Year 6 has seen an improvement since last year. However, Obesity in primary school age children in 'Reception' is worse.

5.15. Alcohol related hospital admissions for 2010/11 has increased by 10%. Although an increase on the previous year, it is the lowest rate of admissions in the West Midlands region and is below the average for both the region (1,910) and England (1,884).

5.16. The closure of Wellington Leisure Centre for refurbishment has had a direct impact on overall numbers of leisure centre users and Flex Card usage amongst key groups including people with disabilities, women and children and young people and the number of interactions in our libraries.

Priority 7 Mixed and sustainable communities with an increased supply of a new housing, improved existing homes, and a high quality physical environment

5.17. The following indicators have reported an improved performance from the previous year and are projected to meet/exceed the 2011/12 target:

- Enable additional units of extra care housing
- Environmental Promise 1 - make safe all identified dangerous potholes by the end of the next working day. Changes to working practices has seen a steady increase in repairs of dangerous potholes. All other promises on target.
- Residual household waste per household
- Percentage of municipal waste land filled
- Improved local biodiversity - active management of local sites

5.18. Areas of concern include:

- Reducing 16/17 year olds in B&B accommodation has deteriorated compared to the previous year's outturn. The projected increase in the number of 16/17 year olds in B&B accommodation is largely due to the greater number of presentations by this group.
- Delivery of affordable homes remains challenging – it is forecast that this year's outturn will be close to last year's however, it is unlikely to meet the 2011/12 target.

Co-operative Council

5.19. With regard to the Council's workforce there have been a number of changes which are likely to have been as a result of restructures:

- Percentage of employees from ethnic minorities has changed compared to the previous year and set to meet the 2011/12 target.
- Similarly, Percentage of female employees; salary above £41,616 (scp 49) has increased from the previous year and is set to exceed the 2011/12 target.
- Percentage of employees with a disability has fallen compared to the previous year's outturn and is not set to meet target.

5.20. The percentage of buildings accessible to the disabled is forecast to rise from 78% to 80% by end of year.

Contact Jon Power Delivery & Planning Manager Ext 80141.

Telford & Wrekin Council

Family & Friends Policy

April 2012

a co-operative council

Telford & Wrekin COUNCIL

PREFACE

Welcome to Telford & Wrekin Council's policy on Family and Friends Care.
For generations, families and friends have cared for children within their family because birth parents have not been able to do so either on a temporary or long term basis.

Telford & Wrekin believe that in the great majority of cases families and friends will be able to make suitable arrangements for the care of children known to them without any involvement from the Council. However, some families and friends carers may need some additional support. The arrangements which are described in this policy are those arrangements which the Council has a statutory duty to assess and support.

We hope that this policy will enable family and friends carers to know where to go for help, and that it explains what help we can provide. The policy describes the assessment, planning and decision making process which we follow in deciding which services we can offer.

Laura Johnston
Interim Director of Children's Services

Contents Page number

Executive summary:

This policy has been produced in response to guidance issued in April 2011 by the Department of Education. The policy outlines both the varied circumstances in which children and young people are cared for by family and friends carers and the local authority's (Council) responsibility in each of these situations.

The policy recognises that family and friends frequently care for children and young people to support birth parents and that the Council does not have a role in such arrangements unless either it is requested, or there are concerns about the child's welfare. There are occasions where a social worker will support parents to ask family members to care for a child.

Where children and young people are cared for by people who are not close relatives for more than 28 days this is considered to be a private fostering arrangement and the Council must to informed. In these circumstances the Council has a number of responsibilities to fulfil in order to assess the private fostering arrangements, by visiting the carer, child or the child's parents. Parental responsibility is retained by the parents who retain financial responsibility.

Where the child becomes "Looked After" by the Council either at the request of parents, or by the direction of the courts due to concerns about the child's welfare, the Council will always seek first to identify carers within the child's existing network of family and friends. When potential carers are identified, an initial viability assessment will take place to establish whether the carers have the potential to meet the child's needs. If the child is placed with the carers the viability study has to take place within 2 weeks of the placement. Where the viability assessment indicates that a full fostering assessment is needed, this has to take place within 16 weeks, if the child is placed with the carers. This assessment will adhere to the usual fostering regulations and will be presented to the fostering panel for consideration and recommendation to the Agency Decision Maker for approval.

Family and friends carers who are approved as foster parents are required to follow all the usual requirements of mainstream foster carers – meeting the national minimum standards, regulations and schedules as well as local policies and procedures.

Children and young people may also be placed with family and friends carers by court orders which may not involve any Council involvement. This includes a Residence Order which requires a child or young person to reside with those prescribed by the court. A Special Guardianship Order may also be made by the court which gives the Special Guardians overall responsibility for decision making, although parental responsibility remains shared.

An Adoption Order transfers all parental responsibility to the adoptive parents. There are some circumstances in which the Council is able to provide financial assistance to family and friends who are caring for children under such orders.

1. Introduction:

In April 2011 guidance was issued by the Department of Education on the care of children by family and friends. A new requirement was placed upon local authorities to outline provision for family and friends carers within their area from October 2011.

This document outlines the provision for family and friends caring for the following groups of children and young people within different arrangements and how Telford & Wrekin Council will respond to the following arrangements:

- Children or young people in informal arrangements with a relative or friend

- Children or young people (up to the age of 16 or 18 if disabled) in informal arrangements with friends or other family members which last for a period of more than 28 days. These are called private fostering arrangements

- Children and young people Looked After by the local authority through Section 20 Children Act 1989 (voluntary accommodation) or Section 31 Children Act 1989 (care order) placed with approved kinship foster carers (grandparents, uncles, aunts, connected person/family friend)

- Children and young people subject to a Residence Order or Special Guardianship Order, or in arrangements which may lead to an adoption order.

2. The Policy

2.1 The role of family and friends care and key findings from national research and local consultation

Some children and young people are unable to be brought up by their parents and are cared for by a relative or a friend (this provision was formally known as Kinship Care). Many of these arrangements are informal. Some of these arrangements become more formal as a result of specific private or public law proceedings and the Council is then required to provide statutory services based upon the assessed needs of the child. Family and friends carers looking after a child/ren may require advice and guidance and in more complex cases may require support from the Council.

Research shows that children and young people who are looked after by the Council, and who live with family or friend carers have greater access to extended family members. They are more likely to stay with their relative or friend carer for longer and experience less placement moves.

2.2 How this policy has been developed and how it will be reviewed

The information provided in this policy was produced in consultation with a group of family and friends representatives. There will be ongoing monitoring and consultation in respect of the policy, and it will be formally reviewed after 6 months and then annually. The findings of the review will be shared in an annual report to the lead member of Children's Services, the Director of Children's Services, Assistant Directors, operational Service Managers, Team Leaders, frontline staff, family and friends carers and children living with family and friends carers in specific settings.

2.3 Philosophy of the policy

- The Council recognises the vital contribution family members and friends make in providing care for children. The great majority of children living with families and friends do so without the need for statutory intervention from the Council.
- Families themselves are often best placed to find their own solutions and to make safe arrangements for children within the family and we would expect families to care for their kin without the intervention and involvement of the Council
- Consideration of children's welfare and best interest will always be at the centre of the work we do.
- Intervention from the Council should be at the minimum needed to safeguard the welfare of those children for whom it has a duty of care.
- The provision of support is based on the assessed needs of the child/ren, not simply on his or her legal status, and will seek to ensure that family and friends carers are provided with support to ensure that children do not become Looked After, or do not have to remain Looked After longer than is necessary.
- Where a child cannot live with his or her immediate family and the Council is considering the need to look after the child, care by family and friends is the placement of first choice, provided that this meets the needs of the child and provides safety for the child.

- Children are active participants, and their wishes and feelings must be taken into account in all relevant processes and decision about them.

2.4 Diversity statement

The Council recognises that many of the children and those who apply to become family and friends carers will come from diverse ethnic, religious and cultural backgrounds, and/or may have particular disabilities, and that these factors must be taken into consideration when establishing the best arrangements for the child/ren.

2.5 Scope of the policy

It is important to note that the Council <u>does not have a general duty to assess all arrangements</u> where children are living with their wider family or friends network rather than their parents, but the Council does have a duty where it appears that services may be necessary to safeguard or promote the welfare of a ‘Child in Need’. This policy is in relation to children cared for on a full-time basis in a ‘family and friends arrangement’ known to, brokered by or supported by the Council, but does not include private arrangements, except to the extent that such children are ‘Children In Need’ (as defined by the Children Act 1989).

For a detailed summary of the different arrangements and legal implications and what family and friend carers can expect from parents and the Council please see Appendices A & B. For details about what statutory duties the Council has for a child/ren classified as ‘in need’ and those Looked After, see Appendix C which outlines the difference between Section 17 children in need services, and Section 20 provision for children Looked After by the Council.

3 Informal Arrangements

3.1 Informal Arrangements

Many parents enter into informal arrangements with their own parents, aunts, uncles and direct family members to look after their children. These arrangements are part of normal family life where children and young people will go to stay with their grandparents, aunts, uncles and friends.

Family units have provided support to children and young people within their immediate and extended family and with friends for many years. The local authority does not have a role in these informal arrangements unless to provide general advice or where children appear to be in need or require safeguarding.

If a child cannot live at home, their parents will be expected and enabled to retain their family responsibilities and remain closely involved, as far as is consistent with their children’s welfare. Birth parent/s still retains full parental responsibility for their child/ren even when the child is placed by the parent to live with another family member or friend. Parents will need to make direct arrangements with family and friends in relation to supporting the child/ren’s needs.

If a child has to live apart from their family, both they and their parents will be given sufficient information and assistance to help them identify alternative arrangements.

Telford & Wrekin Council do not have a duty to assess any informal family and friends care arrangements, unless it appears to the Council that services may be necessary to safeguard or promote the welfare of a child under Section 17 of the Children Act 1989.

3.2 General Advice

Informal arrangements between parents and immediate family members and friends are normal, however, family or friends carers may require advice or may have concerns about the child/ren that they are caring for. Family and friends carers can contact the Council to seek information depending on their particular need. Needs can range from, general advice about what is available, to supporting a child/ren's needs, for example, a list of resources available in a locality, including play groups, mother and toddler groups, child minders, nurseries, library facilities, youth clubs, leisure and fun events for children.

3.3 Children in Need and Safeguarding

Where family and friends carers have concerns about a child/ren that they are caring for, they may contact our Family Connect service where advice will be provided. This may result in an assessment being undertaken to establish whether the child/ren that they are caring for is/are in need. An assessment of need will be undertaken (Common Assessment Framework - CAF) in order to ascertain whether any specific support needs and or safeguarding measures are required for the child/ren, to promote the child/ren's development and wellbeing. If the child/ren are assessed as being in need – an appropriate plan will be developed to meet the children's needs and support the parents, the carers and the child (in accordance with the local authority's Section 17 powers).

4. Formal Arrangements: Private fostering

A privately fostered child is a child under 16 (or under 18 if disabled) who is cared for by an adult who is not a parent or close relative, where the child is to be cared for in that home for 28 days or more. Close relative is defined as 'a grandparent, brother, sister, uncle or aunt (whether full blood or half blood or by marriage or civil partnership) or step-parent' where the child is to be cared for in that home for 28 days or more. If the carer is an extended family member i.e. great-aunt, cousin, it is a private fostering arrangement. It does not include a child who is Looked After by a Local Authority. In a private fostering arrangement, the parent still holds parental responsibility and is fully responsible for agreeing the financial support and details of the arrangement with the private foster carer.

The local authority may become involved with a child in a private fostering arrangement where the child comes within the definition of a Child in Need. In such cases, the local authority has a responsibility to provide services to meet the assessed needs of the child under Section 17 of the Children Act 1989. Following assessment, a Child in Need Plan will be drawn up and a package of support will be identified. The local authority has a duty to assess and monitor the welfare of all privately fostered children and the way in which they carry out these duties is set out in the Children (Private Arrangements for Fostering) Regulations 2005.

Telford & Wrekin Council provide a full range of support for carers who are private foster carers which includes:

- assessments of carers,
- assessments of the child/ren cared for by the private foster carer,
- visits to the child as prescribed in statutory guidance,
- agreements with parents,
- supervision of private foster carers,
- advice and support to carers,
- support groups,
- assistance with benefit claims,
- Section 17 support,
- advice and support from other agencies,
- common assessment

If you are currently caring for a child/ren informally through a private arrangement for more than 28 days and you are not a close relative - please contact us to clarify your status and establish whether you are eligible for assistance as a private carer.

5 Formal Arrangements: Court Orders

5.1 Residence Order

A Residence Order is a Court Order which gives parental responsibility to the person in whose favour it is made, usually lasting until the child is 16 unless they are in education in which case it lasts until the age to 18. Parental responsibility is shared with the parents.

Residence Orders may be made in private family proceedings in which the local authority is not a party nor involved in any way in the arrangements. However, a Residence Order in favour of a relative or foster carer (who was a 'Connected Person') with whom a child is placed may be an appropriate outcome as part of a permanence plan for a Child in Need or a 'Looked After' child.

Telford & Wrekin Council may pay Residence Order Allowances to relatives or friends, unless they are a spouse or civil partner of a parent, with whom a child is living under a Residence Order. This is set out in paragraph 15 of Schedule 1 of the Children Act 1989, however this is discretionary.

Residence Order payments are subject to means testing. Family and friends wishing to pursue this option please contact us for advice and information and a copy of our current policy.

5.2 Special Guardianship Order

Special Guardianship offers a further option for children needing permanent care outside their birth family. It can offer greater security without absolute severance from the birth family as in adoption.

Family and friends may apply for a Special Guardianship Order after caring for the child for one year. As Special Guardians, the family or friend carer will have parental responsibility for the child which, while it is still shared with the parents, can be exercised with greater autonomy on day-to-day matters than where there is a Residence Order.

<u>Special Guardianship can be applied for by:</u>

- Any guardian of the child.
- A local authority foster carer with whom the child has lived for one year immediately preceding the application.
- Anyone who holds a Residence Order with respect to the child, or who has the consent of all those in whose favour a Residence Order is in force.
- Anyone with whom the child has lived for three out of the last five years.
- Where the child is in the care of a local authority, anyone who has the consent of the local authority.
- Anyone who has the consent of all those with parental responsibility for the child.
- Anyone, including the child, who has the permission of the court to apply

Special Guardianship Orders may be made in private family proceedings and the local authority may not be a party to any such arrangements. However, a Special Guardianship Order in favour of a relative or foster carer (who was a 'Connected Person') with whom a child is living may be an appropriate outcome as part of a permanence plan for a Child in Need or a 'Looked After' child. Where the child was Looked After immediately prior to the making of the Special Guardianship Order, the local authority has a responsibility to assess the support needs of the child, parents and Special Guardians, including the need for financial support.

Telford & Wrekin Council has a separate policy on Special Guardianship Orders and depending upon the prior circumstances of the carer and the child, and the outcome of the special guardianship assessment the Council may provide a support plan which may include discretionary funding.

5.3 Adoption Order

Adoption is the process by which all parental rights and responsibilities for a child are permanently transferred to an adoptive parent by a court. As a result the child legally becomes part of the adoptive family, and all legal ties with the birth parents are severed.

An Adoption Order in favour of a relative or foster carer (who was a 'Connected Person') with whom a child is living may be an appropriate outcome as part of a permanence plan for a Child in Need or a 'Looked After' child.

Local authorities must make arrangements, as part of their adoption service, for the provision of a range of adoption support services. They then have to undertake assessments of the need for adoption support services at the request of the adopted child, adoptive parents and their families, as well as birth relatives. The carers will need to be fully approved adoptive parents and matched with the child in the normal way. The support required is then set out in an Adoption Support Plan and this may include financial support.

Where adoption support is required, Telford & Wrekin Council assess carers to determine what financial assistance may be available to holders of Adoption Orders (see separate policy).

6 Family and Friends carers: formal arrangements (Connected person's and family and friends foster carers)

There are children who are referred to Children's Social Care Services who are assessed through an Initial Assessment as being Children in Need of accommodation. If the child/ren is/are assessed as being 'In Need' of accommodation the Council will assist the family in discussing the care options for the child/ren. If the Council is approached for assistance because a child/ren cannot remain at home, all possible arrangements for the child/ren to live with family and friends will be explored before other forms of living arrangements are considered.

If the Council makes an arrangement or requires that a child/ren should be placed with a relative or friend, then this will become a formalised arrangement. The Council may support a range of options which the Initial Assessment of the child/ren indicates. In looking for a placement for the child/ren, the Council will consider whether it is in the child/ren's best interest to be placed with family, friends or another 'connected person'. In these circumstances, Telford & Wrekin Council will undertake an initial assessment of the proposed family or friend - connected person carer to establish that the carer can meet the child's needs. This will be undertaken by a member of the Family Placements Team. An information pack will be available to potential family and friends foster carers about the process and they will be given the name and contact details of the social worker from the Fostering Service allocated to carry out the assessment.

This initial assessment will involve the following checks of the proposed carer and members of their household (including frequent regular visitors):

- Criminal Record Bureau checks,
- Medical checks,
- Employment checks,
- Checks with schools if the proposed carers have children of their own of school age,
- Checks to identify involvement with any other agencies statutory, voluntary or independent;
- References,
- Financial checks,
- An assessment of the health and safety and suitability of the proposed carers accommodation will be made in relation to meeting the needs of the child/ren.

The parenting experience and skills of the proposed carers to support the safety, physical, emotional, educational, health and recreational activities needs of the child/ren to be placed with them will be considered. Also the ability of the proposed carers to work in partnership with support workers, social workers, health professionals, schools/colleges/birth parents where appropriate to meet the needs of the child will be assessed.

This initial assessment of the prospective carer/s will take place within 2 weeks if the child/ren has/have been placed in an emergency. The initial carers assessment report will be presented to the Local Authority Decision Maker to determine the initial suitability of the carer and grant temporary approval as formal carers, subject to the outcome of the full assessment to determine whether permanent approval should be recommended by the Telford & Wrekin Fostering Panel within 16 weeks (Reg 24 of the Care Planning, Placements and Case Review Regulations (England) Regulations 2010)

If the initial carer assessment report considers the carer suitable for temporary approval , this initial assessment report will, together with information concerning the child's proposed care plan, be used to determine what is the best option to meet the child/ren's needs. This may be a full Regulation 24 Kinship Carer assessment, a Residence Order assessment, or a Special Guardianship assessment. The assessment reports will be completed within prescribed timescales and, where appropriate, be presented to Court to determine the proposed carers suitability and to Telford & Wrekin Fostering Panel for Family and Friends approval as registered carers.

Where the Local Authority Decision Maker has initially approved the suitability of a carer and the proposed carer is to be assessed as a family and friends foster carer, they will be offered the opportunity to attend 'skills to foster training' alongside the continued full assessment.

If family and friends carers are approved as foster carers, they will be allocated a supervising social worker from the fostering service to provide them with support and supervision; and they will receive fostering allowances for as long as they care for the child as a foster carer.

While the child remains a Looked Child, foster carers will be expected to co-operate with all the processes that are in place to ensure that the child receives appropriate care and support. This includes, contributing to reviews of the child's Care Plan, co-operating with the child's social worker and promoting the child's education and health needs.

If the Local Authority Decision Maker determines that the prospective carers are unsuitable, the proposed carers and the child's social worker will be informed and an alternative placement sought by the Council for the child/ren. Prospective family and friends foster carers whose initial assessment has determined that they are unsuitable may request that their assessment continue. However, there is no right to become a foster carer.

Telford & Wrekin Council funds the assessment and approval process for prospective family and friends carers.

7 Other considerations for Assessment & Planning

7.1 Supporting contact with parents

The Council is under a duty to promote contact for all Children in Need, although this differs depending on whether or not the child is Looked After.

Where the child is not Looked After, we are required to promote contact between the child and his/her family ‘where it is necessary to do so in order to safeguard and promote his or her welfare’. As part of the support arrangements, it may be identified that specific assistance is required to ensure that any such contact can be managed safely. Where assessed as appropriate, information will be made available to family and friends carers about local contact centres and family mediation services, and how to make use of their services.

Where a child is Looked After, the Council is required to endeavour to promote contact between the child and his or her family ‘unless it is not practicable or consistent with the child’s welfare’. The overall objective of the contact arrangements will be included in the child’s Care Plan and the specific arrangements will be set out in the child’s Placement Plan – see Contact with Parents and Siblings Procedure.

7.2 Adult Services and Children’s Services Liaison.

There are some family and friends carers who are affected by birth parents involvement with adult social care e.g. such as mental health, substance misuse or have older relatives involved with adults social care. Where there is a direct impact on family and friends carers and the children they are looking after, children’s social care will exchange appropriate information and meet where appropriate to ensure that children are safeguarded and their needs are met and not compromised by specific plans or activities affecting their parents.

8 General and Financial Support

8.1 Accommodation

The Council works with landlords to ensure that family and friends carers living in unsuitable accommodation are given advice and assistance and, where possible, appropriate priority to move to more suitable accommodation if this will prevent the need for a child to become Looked After.

8.2 Family Group Conferences

Family Group Conferences are meetings held between professionals and family members, which aim to achieve the best outcomes for children. They promote the involvement of the wider family to achieve a resolution of difficulties for Children in Need, and may help to identify short-term and/or permanent solutions for children within the family network.

We will offer a Family Group Conference or other form of family meeting at an early stage. If a child becomes Looked After, perhaps following an emergency, without a Family Group Conference having been held, then (where appropriate) we will arrange one as soon as possible.

Family and Friends carers may request a copy of our policy on Family Group conferencing.

8.3 Provision of financial support – general principles

There are three categories of payment, which may be considered. One or more of these may be applicable, depending on the particular circumstances of each case:

a) Subsistence crisis payments

Financial payments, Section 17 of the Children's Act 1989 will be used to overcome specific crisis determined by assessment and provided for a specific defined period. However, payments made should not replace legitimate funding which may be obtained from other agencies i.e. benefit claim/support.

b) Setting-up payments

These are for such items as clothing, furniture, or bedding. The social worker must be satisfied that the carers' financial position justifies the payment through a financial assessment. Assistance may be given subject to conditions, including repayment in certain situations. Social workers may support families and friends to obtain funding from other sources where it would be legitimate to apply for funding.

c) Weekly living contribution

It is possible for the Council to make regular payments where family members or friends care for a child, whether or not the child is Looked After. Where regular payments are to be made, relative carers should be assisted to maximise their Income/Benefit as regular payments may adversely affect an individual's claim to income support.

In all cases where regular financial support is agreed, a written agreement will be drawn up detailing the level and duration of the financial support that is to be provided, and the mechanism for review and appeal (in respect of discretionary payments).

8.4 The following criteria will be applied to all such payments:

- The purpose of the payments must be to safeguard and promote the welfare of the child
- As part of the assessment, a view should be taken as to whether the carers need financial support based on their reasonable requirements in taking on the care of the child
- Carers must pursue and develop arrangements with birth parents to contribute to the maintenance of their child/ren in respect of specific circumstances - private fostering arrangements, Special Guardianship Orders, Residence Orders. As part of the financial assessment - this will be assessed and advice and guidance provided to carers.
- Carers must apply for benefits which they may be eligible for, as the local authority will not provide funding where a carer may legimately gain finances from an appropriate agency
- There are no other legitimate sources of finance

- Payments will be paid to the carer, not the parents.
- The payment would not place any person in a fraudulent position.
- The carer must notify the local authority of any change in circumstance which may result in an increase or decrease in household income which directly impacts upon core care needs of the child/ren. Payments are made to carers to meet core care needs.

9 Management Overview of this Policy

Managerial accountability for Telford & Wrekin's Family and Friends policy resides with the Service Delivery Manager – Fostering and Children in Care.
Telford & Wrekin Council have existing established strategic focus groups for Special Guardianship Orders and Residence Orders, Private Fostering and a Foster Carers information and consultation group which includes family and friends carers.
Separate family and friends carers support groups exist within Telford and Wrekin for those carers who wish to receive group support. These groups are co-ordinated by lead officers responsible for assessment and support of family and friends carers.
An annual report detailing operation of the Family and Friends Policy will be presented to the Senior Management group covering:

- Statistical information in respect of different service uptake by family and friends carers – sufficiency duty.
- Identified Needs.
- Consultation with family and friends carers and children in their care.
- Recommended action plan.
- Update of this policy annually.

Appendix A Caring for someone else's child: options

	Private Fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship Order (SGO)	Adoption
Route into the caring arrangement	This is a private arrangement whereby the child is being cared for 28 days or more (or the intention is that the arrangement will last for 28 days or more) by anyone who does not have parental responsibility, and who is *not* a close relative. Relative means grandparent, brother, sister, uncle or aunt (by full blood, half blood or by marriage or civil partnership) or a step parent. The child is not a Looked After Child	The relative has chosen to take on the care of the child but does not have parental responsibility, and the arrangement was not made by the local authority. The child is not a looked after child. Relative may perceive the parents to be unable to care for the child, or the parents may be dead or otherwise not available (e.g. in prison); or there may be an agreement between relatives due to difficult family circumstances.	The child has been placed with the relative or friend by the local authority, as a suitable placement to meet the child's needs, whether permanently or temporarily, and for a range of reasons. The child is a looked after child and so the local authority must assess the relative or friend as a local authority foster carer. Timescale is 16 weeks. The child may be accommodated voluntarily with the agreement of the parents or may be subject to a care order.	The child is a looked after child being accommodated by the local authority under section 20 Children Act 1989 or because the child is subject to a care order and has been placed with a foster carer by the local authority.	The child may be unable to live with his or her parent/s and, under a family arrangement is living with a family member, who decides to apply for an order which will provide legal certainty about the child's residence and the exercise of Parental Responsibility. The child may be at risk of becoming 'looked after' and a friend or relative applies for an order or The child may have been "looked after" and their foster carer or other relative/friend applies for an order. Special Guardianship Application and Application for Residence Orders are private law applications which do not necessarily involve the Local Authority.		Looked after children: the LA may decide that the child should be placed for adoption. They can only do so with the consent of the birth parent or under a placement order made by a court. An approved foster carer can apply for an adoption order after a year of caring for the child. Other informal carers could apply for an adoption order if, the child has lived with them for a period of 3 years.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship Order (SGO)	Adoption
Parental Responsibility (PR)	Remains with birth parents.	Remains with birth parents but the person who cares for the child may do what is reasonable to safeguard or promote the child's welfare.	Remains with birth parents if child accommodated is under section 20 CA. If the child is subject to a care order or emergency protection order the local authority will have parental responsibility and determines the extent to which it may be exercised by others.		Shared by parents and holder of residence order.	PR shared with parents and any one else with parental responsibility for the child. The special guardian may exercise parental responsibility to the exclusion of all others with PR, apart from another special guardian.	Transfers to adopters and relationship with birth parents is severed.
Approval basis	The arrangement may be assessed by LA, but the carer is not 'approved' in the same was as an LA foster carer. The arrangement may be prohibited if assessed by the local authority as unsuitable.	None.	Approved as local authority foster carers in accordance with Fostering Services Regulations (if child is looked after, carers must be approved as foster carers even if close relative).		Appointed by court following application.	Appointed by court, following application from the applicant. The LA must investigate the matter and prepare a report for the court dealing with the suitability of the applicant to be a special guardian.	Adoption agency assesses and approves prospective adopters, court makes order regarding specific child. If the child is not looked after then notice of intention to adopt must be given to the LA who then carries out an assessment/report for the court.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship Order (SGO)	Adoption
Duration	Subject to discretion of person with PR and readiness of private foster carer. This applies to a child under the age of 16 (or 18 if disabled).	Subject to discretion of person with PR.	So long as placement remains in line with child's care plan, as determined by LA.		Age 18.	Age 18 unless varied or discharged by the court before the child reaches 18 years.	Permanent lifelong relationship.
Placement Supervision	It is not a placement, but there are statutory visits to child by social worker (minimum 6 weekly in first year, then 12 weekly).	None.	Statutory visits to child by social worker and supervision of foster carers by supervising social worker.		None.	None.	When child is placed for adoption by the LA, the placement is supervised and there are statutory reviews. Once the adoption order is made, none.
Review of Placemen	It is not a placement but the LA may do formal reviews in addition to ongoing assessment during visits.	None.	Statutory reviews of child's care plan (minimum 6 monthly) and annual reviews of local authority foster carers' approval.		None.	None.	See above.
	The relevant SW team ensures that families are linked into services local to them. Further information on support is provided by the Family Information Service						

Telford & Wrekin Council Support Services	No entitlement. Provision of advice and support as determined necessary by the LA, which may assess the child as a child in need, with a child in need plan, and provide services / support for child/family under section 17 of the Children Act 1989.	No entitlement but the LA may assess and provide services / support for child/family under section 17 of the Children Act 1989. Where concerns arise in relation to the care of children in private arrangements, normal processes for referral and assessment under Section 17 or Section 47 CA 1989 apply.	Support Services which may be offered to a Friend and Family Foster Carer may include: • Support to meet child's needs including health plan and personal education plan. • Training and practical support in accordance with the Fostering Services, NMS and CWDC standards. • Young person may be entitled to leaving care support services. • Referral to welfare benefits advice. • Membership of specific support groups for friend and family foster carers. • Referral to CAMHS – Child Adolescent Mental Health Services. • Access to 'Out of hours' advice in case of emergencies. • Ongoing support and annual review. This is not an exhaustive list, and support services will be assessed based on the child's needs.	No entitlement. The child may have an allocated SW from the Assessment and Kinship Team. This SW will visit the child and the carers at least annually to review the arrangements for the child's care and the appropriateness of continuing with any allowance which may be paid. The allocated SW will record the Child in Need Review. Reviews may take place more frequently where there has been a	If child was looked after prior to making the SGO, LA must assess for need for special guardianship support services. LA has discretion whether to provide support. Support may include adoption support workshops and support from a special guardianship support worker, along with support to meet the child/ren's specific needs.	Telford & Wrekin Council undertakes assessments for adoption support services, which may be provided at discretion of LA in accordance with Regulations and National Minimum Standards. Any support required is then set out in an Adoption Support Plan.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship Order (SGO)	Adoption
Telford & Wrekin Council Support Services			Family and friends foster carers are supported by the Assessment & Kinship team. Foster carers are supported by the Business Strategy, Fostering, Placements and Procurement Service.		Significant change in the child's circumstances or where the circumstances otherwise require it.		

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship (SGO)	Adoption
Financial support – entitlement	Can claim child benefit and child tax credit if not being paid to parent. Financial responsibility to maintain the child remains with hold or holders of PR.	Can claim child benefit child tax credit if not being paid to parent. Financial responsibility to maintain the child remains with holder or holders of PR. Guardians Allowance payable if both parents have died, or the only surviving parent cannot be found or serving 2 years or more prison sentence.	Child benefit and child tax credit not payable. Weekly allowance to meet the costs of caring for the child. This should meet at least the national minimum rate set by DCSF. There is a scheme of allowances which set out the rates payable from time to time.		Can claim child benefit and child tax credit if not being paid to parent.	Can claim child benefit and child tax credit if not being paid to parent.	Can claim child benefit and child tax credit if not being paid to parent.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship (SGO)	Adoption
Telford & Wrekin discretionary financial support	Parents are expected to provide fully for their children's care, including ensuring that relevant welfare benefits are transferred to the private foster carer. Where Section 17 is applied, children are made subject of a Child in Need plan which aims to ensure that parents take full responsibility for the child's care.	Parents are expected to provide fully for their children's care, including ensuring that relevant welfare benefits are transferred to the informal family carer. Where Section 17 is applied, children are made subject of a Child in Need plan which aims to ensure that parents take full responsibility for their child's care.	Telford & Wrekin Council provides a core allowance to all foster carers. Discretionary payments are made in accordance with Statutory Guidance for Fostering Services. Where temporary approval is given to Connected Persons, carers will receive financial support based on the full Telford & Wrekin Fostering Kinship Allowance.		Telford & Wrekin Council accepts no assumption of entitlement to financial or other support under an RO. This is a matter of assessment. Any allowance is reviewed annually. The decision to pay a Residence Order Allowance must be informed by one of the following: • A Core Assessment • The child's Looked After Review. • The child's Care Plan. • A request by a person holding a Residence Order.	Telford & Wrekin Council accepts no assumption of entitlement to financial or other support under an SGO. This is a matter of assessment. Any allowance is reviewed annually in line with Special Guardianship Regulations. Financial Support for Special Guardians is provided under Telford & Wrekin's Adoption Support and Special Guardianship Finance Scheme. Financial support is provided according to assessment of need and means testing.	Telford & Wrekin Council accepts no assumption of entitlement to financial or other support in respect of adoption. This is a matter of assessment. Any allowance is reviewed annually. Entitlement to assessment for financial support (part of adoption support) if child looked after prior to order. Where financial support is assessed as necessary to ensure the needs of the child are met, this calculation will be made in line with the national minimum rate as set by DWP.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship (SGO)	Adoption
Telford & Wrekin discretionary financial support	A decision to pay a Residence Order Allowance will be made by the Family Support and Intervention Service Manager following a financial assessment.				A decision to pay a Residence Order Allowance will be made by the Family Support and Intervention Service Manager following a financial assessment. Financial Support is provided according to assessment of need and means testing. Any financial support that is agreed is documented in a written agreement. Where financial support is assessed as necessary to ensure the child's care needs are met, this calculation will be based on the specific needs of the	Any financial support that is agreed is documented in a written agreement. In cases where the applicant does receive an income and this is less than the means tested level, they will still receive an allowance, but Child Benefit will be deducted from that amount. In cases where the applicant relies solely on benefits and has no other income, they will receive an allowance and child benefits will not be deducted. The person who holds the SGO is	Foster carers who go on to adopt children in their care will receive 2 years continued remuneration in line with the fostering allowance minus state benefits plus the reward element.

	Private fostering	Family care (informal)	Family and friends foster care	Unrelated foster care	Residence order	Special Guardianship (SGO)	Adoption
Telford & Wrekin discretionary financial support					child and no reward element is payable. The calculation will be made in line with the national minimum rate as set by the DWP. The person who holds the RO is responsible for providing information to the LA in respect of any changes in circumstance which may affect payments.	responsible for providing information to the LA in respect of any changes in circumstance which may affect payments.	

Appendix B

Summary of Informal and Formal Support from Telford & Wrekin Council

	Potential Recipients	Type of Support
Informal	All families and carers.	Advice and information.
	Children in need e.g. • Crisis assistance • Family support • Short breaks • Respite support	Initial assessment, advice, targeted support and Section 17 funding where this is appropriate to meet the child's assessed needs.
Formal	Specific carers acquiring more formal responsibilities and child not 'Looked After' • Private Fostering • Residence Orders • SGOs • Adoption	Assessments for all categories where prescribed in legislation discretionary funding. • Subject to financial means test (for Residence Orders, SGO's, adoption orders with some specific exceptions), and annual review, see policy (Public childcare law proceedings). • Targeted resources where the need has been assessed and defined as part of the child's Care Plan.
	Kinship carers, formal approved foster carers.	Initial assessment temporary approval subject to further assessment and recommendation to Fostering Panel. Not subject to means test. Fostering allowance minus Child Benefit. Supervision, Annual Review of carers approval.

		Specific requirements of the Foster Carer in meeting National Foster Care Standards and Regulations and care planning for the child/ren being Looked After. Supervising Social Worker and Case Manager for child appointed.

Appendix C

Family and Friends Care: Statutory Guidance for Local Authorities

Support for family and friends carers under Section 17 and Section 20 of the Children's Act 1989 (Family and Friends Care: Statutory Guidance for Local Authorities)

Child in need supported under section 17 (in an informal arrangement)	Child accommodated under section 20
• The child is not Looked After by the local authority.	• The child is looked after by the local authority.
• The child will not have a care plan but there may be a child in need plan or child protection plan.	• The child must have a care plan (including health plan and personal education plan) which will be reviewed by an Independent Reviewing Officer.
• If there is a child in need plan or a child protection plan a social worker or other worker may visit the child and carers.	• A social worker will visit the child and carers and oversee the child's welfare.
• The child must be offered access to an advocacy service where they make or intend to make representations under Section 26 of the 1989 Act.	• The child must be offered access to an advocacy service where they make or intend to make representations under Section 26 of the 1989 Act.
• The carers will not usually have a separate social worker.	• A supervising social worker will be appointed for the foster carers.
• The local authority has discretion to give financial assistance (which can be on the basis of regular payments) but there is no entitlement and family income may be taken into account since the local authority must have regard to the means of the child and parents under Section 17 (8) of the 1989 Act.	• A weekly fostering allowance will be paid.

• Child Benefit and Child Tax Credit may be payable.	• There is no entitlement to Child Benefit or Child Tax Credit.
• Support may be offered to the carers and/or child but is discretionary.	• Training and support must be offered to the foster carers.
• There is no entitlement to leaving care support.	• On leaving care the young person may be eligible for ongoing support under the 1989 Act (as amended by the Children (Leaving Care) Act 2000.

Definitions

Appendix D

- **Who is a family or friend carer?**

"Family and friends carer" means a relative, friend or other person with a prior connection with somebody else's child, who is caring for that child full time. An individual who is a "connected person" to a Looked After child may also be a family and friends carer. A child who is cared for by a family and friends carer may or may not be Looked After by the local authority.

- **Who is a Foster Carer?**

"Foster carer" means a person who is approved as a local authority foster parent (by a local authority or an independent fostering provider) in accordance with regulation 27 of the Regulations 2011, or temporarily approved under regulation 24 of the 2010 Regulations.

- **What is meant by Fostering Service?**

"Fostering service" means a local authority fostering service.

- **What is an informal arrangement?**

"Informal arrangement" means an arrangement where a child is living with a family and friends carer who does not have parental responsibility for the child. References to "informal arrangements" in this guidance do not include arrangements where the child is Looked After by the local authority or where the child is privately fostered, placed for adoption, or subject to a Residence or a Special Guardianship Order. The legislation which governs these arrangements does not apply to an informal arrangement.

- **What is meant by the term, a Looked After Child?**

"Looked After child" means a person under 18 who is subject to a care order under Section 31 of the 1989 Act (including an interim care order), or is accommodated under Section 20 of that Act.

- **What is meant by the term, Parent?**

"Parent", in relation to a child, includes any person who has parental responsibility for that child.

- **What is Parental Responsibility?**

"Parental responsibility" has the meaning given by Section 3 of the 1989 Act, being all the rights, duties, powers responsibilities and authority which by law a parent of a child has in relation to the child and his property.

- **What is a Private Fostering arrangement?**

"Private fostering arrangement" means an arrangement where a child who is under 16 (or 18 if disabled) and who has not been provided with accommodation by the local authority, is cared for and accommodated by someone who does not have parental responsibility for him and is not a relative, and the arrangement continues for a period of 28 days or more, or is intended to do so.

- **Who is a relative?**

"Relative" means grandparent, brother, sister, uncle or aunt (whether full blood or half blood or by marriage or civil partnership) or step-parent, as defined in section 105 of the 1989 Act;

- **Who is the responsible authority?**

"Responsible authority" means, in relation to a Looked After child, the local authority or voluntary organisation as the case may be, responsible for the child's placement.

How to get in touch **Appendix E**

1. Informal arrangements – universal service provision all carers may access.
If you require information and advice contact our Family Information Service on:

Family Information Service
Family and Community Services
Civic Offices
TF3 4WF
Tel: 01952 385385
Email: familyinformation@telford.gov.uk

2. For services for children who may be "in need" or specific enquiries in relation to private fostering arrangements please contact the following service below:
Children and Families Helpdesk

The Mount
1 Haygate Road
Wellington
Telford
TF1 1QX
Tel: 01952 385700
Email: childrenandfamilieshelpdesk@telford.gov.uk

3. For specific enquiries in relation to Residence Orders, Special Guardianship and Kinship Care Fostering information please contact:

The Fostering Team
The Mount
1 Haygate Road
Wellington
Telford
TF1 1QX
Tel: 01952 385888

Packs Available: Private Fostering Pack, Special Guardianship Pack, Kinship Carer Booklet, Residence Order packs

4. For information on Adoption Services please contact:

Joint Adoption Service
Safeguarding
Shropshire County Council
Observer House
Abbey Foregate
Shrewsbury
SY2 6BL
Tel: 01743 241915

Pack Available: Adoption Panel Pack

Complaints Procedure

Where family and friends carers are not satisfied with the level of support provided to care for the child/ren, they should seek to have a discussion with the appropriate Team Manager or Service Manager. If they remain dissatisfied they should approach:

Telford & Wrekin Customer Services,
Civic Offices,
Coach Central,
Telford, TF3 4HD.
Telephone: Telford 01952 382006
Email: customer.quality@telford.gov.uk

TELFORD & WREKIN COUNCIL

CABINET 23 FEBRUARY 2012

FAMILY AND FRIENDS POLICY

REPORT OF INTERIM ASSISTANT DIRECTOR: CHILDREN'S SAFEGUARDING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

This policy relates to the care of children by family and friends where birth parents are unable to provide care temporarily or in the longer term. It recognises that in most situations children are best cared for by family and friends, and that often this is an informal arrangement in which the Local Authority has no role. The policy covers also those situations where the child becomes looked after by the Local Authority, and the actions which the Local Authority will take to determine whether the family and friends carers are able to care for the child. The policy also includes details of other legal arrangements which the court can make to determine where a child lives, eg adoption, residence orders and Special Guardianship orders.

2. RECOMMENDATIONS

2.1 That the family and friends policy be endorsed.

2.2 That members note it will be launched from April 1st 2012 to enable appropriate training for staff.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Keep children safe from maltreatment neglect and sexual exploitation.
	Will the proposals impact on specific groups of people?	
	Yes	This policy will impact on children who are unable to live with their birth families. It will also impact on the families and friends of those children, as they are considered as potential carers.
TARGET COMPLETION/DELIVERY DATE	Projects will be delivered during the financial year 2012/13	
FINANCIAL/VALUE FOR MONEY IMPACT	No	The endorsement of this policy does not have any additional financial implications for the Council. The type of placements, support and responsibilities detailed within this policy are already undertaken by the Council and are funded from within existing resources. The arrangements detailed for Looked after children within this policy can generally be provided at a lower cost than other types of placement options available to the Council. (TS 26/01/12)

LEGAL ISSUES	No	"Family and Friends care; Statutory Guidance for Local Authorities" was published by the Department for Education in March 2011. The guidance requires that, in collaboration with local partners, each local authority must publish a policy which sets out its approach to supporting the needs of children living with family and friends carers. This policy consolidates a range of existing guidance and local procedures into one policy for the first time
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	This policy will be of significant interest to key interest groups who support extended family members who care for children eg Grandparents groups
IMPACT ON SPECIFIC WARDS	No	The policy applies to children living anywhere in Telford and Wrekin.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 This policy has been produced in response to new guidance issued in April 2011 by the Department of Education which came into force in October 2011. The policy outlines the circumstances in which children and young people are cared for by family and friends carers and the local authority responsibility in each of these situations.

4.2. The policy recognises that many of these arrangements do not require any involvement from the Council, and are part of the usual arrangements families make where alternative care needs to be provided for children.

4.3. It also includes private fostering arrangements where children are cared for, for more than 28 days by adults who are not family as defined by the guidance.

4.4. Where children become "looked after" by the Council either at the direction of the court or by the request of the family, family and friends are considered as potential carers for the child. An initial viability assessment of the family or friends is undertaken which establishes whether the council should undertake a full fostering assessment to determine their suitability to care for the child. Fostering assessments are considered by the Council panel in accordance with fostering regulations.

4.5. Where the Council agrees the suitability of the family and friends to become foster parents, they become entitled to the usual range of support and are subject to the usual regulations which the Council provides to foster parents. This includes training, supervision, regular review and financial support to care for the child.

4.6. The policy also references other court orders which enable children to be cared for outside their birth family. The Council is not always involved in such arrangements which include Residence orders, Special Guardianship orders and Adoption.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 This policy will be of significant interest to key interest groups who support extended family members who care for children e.g. Grandparents groups. Accordingly whilst it represents a consolidation of existing guidance and procedures, training will be provided to staff to ensure the policy is implemented effectively in an integrated way.

6. PREVIOUS MINUTES

N/A

7. BACKGROUND PAPERS

N/A

Report prepared by Angela Yapp Sevice Delivery Manager Fostering and Children in Care 01952 385885 and Amanda Wollam Professional Lead Social Work
Telephone: 01952 831201

TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2012

WASTE MANAGEMENT PROCUREMENT OPTIONS APPRAISAL REPORT

REPORT OF THE LEAD CORPORATE DIRECTOR FOR ENVIRONMENTAL SERVICES

1. SUMMARY OF MAIN PROPOSALS

1.1 The purpose of this report is to seek Cabinet approval on the future waste management service options prior to the Council entering into formal procurement.

(Waste management collection, disposal and treatment contracts are due for renewal from 2014 up until to 2019 - **Appendix 1**).

1.2 Based upon the factors and findings detailed within section 3 of this report an Outline Services Framework has been scoped prior to formal procurement **(Appendix 2).** This framework sets out the ‘packages’ of service elements which are likely to be procured through a single procurement exercise to maximise best value opportunities. This could then lead to a series of phased contract start dates depending upon the expiry of current contracts.

1.3 Common waste industry practice is to offer a contract in 7 year blocks. At Telford & Wrekin a 14 year contract(s), commencing 2014, is the likely most suitable option as it will provide the opportunity for private sector investment into the whole waste management infrastructure and will reduce procurement costs and risks over the longer term.

1.4 A detailed options appraisal has been undertaken by the Council. This demonstrates that the use of a waste bulking/transfer station within or adjacent the borough is likely to be necessary if the Council is to utilise and gain best value from treatment and disposal facilities outside of the borough. This presents the lowest cost, least risk and most flexible solution for managing the deliveries of residual and dry recyclable waste to such treatment and disposal facilities when assessed against all known alternatives to a waste bulking/transfer facility.

1.5 A further assessment of options for bringing a potential waste/bulking transfer station into operation within or adjacent to the borough through a future contract has indicated that this is likely to be via three options for contractors to consider:

a. The Council makes available land and, if it is able, obtains outline planning permission (secured if possible in parallel to procurement) and the future contractor builds and operates a facility
b. The future contractor is able to provide land on which to design, build and operate a facility
c. The future contractor is able to have access to an existing facility

1.6 To test the likely market response of the options referred to in 1.2 (detailed in Appendix 2, Outline Services Framework),1.3 and 1.5, the Council has been advised that it should hold a market sounding event with potential bidders. To maximise interest, bidders will be invited to attend a market sounding event. Further Cabinet approval will be sought prior to commencement of the formal procurement process.

2. Recommendations

2.1 That:
• Cabinet agree the Outline Services Framework (Appendix 2) to support the procurement process. • Cabinet agrees that the Council holds a market sounding event to inform the procurement process • Cabinet agrees that the recommendations within this report are used to update the Municipal Waste Strategy 2005-2021 • Cabinet notes that a further report will be brought to Cabinet by May 2012 to commence formal procurement.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific service objective(s)?	
	Yes	The key themes of the Council's Municipal Waste Management Strategy are to deliver a value for money waste management solution that gives priority to increasing performance to reduce, re-use, recycle and compost waste. The remaining residual waste to be diverted away from landfill
	Will the proposals impact on specific groups of people?	
	Yes	The delivery of the waste management service will have a borough wide impact. As the detail of the future service begins to emerge an appropriate equality impact assessment will be undertaken to assess the impact proposals will have on specific groups.
TARGET COMPLETION/DELIVERY DATE	A a market sounding event will be held prior to a further report to Cabinet for approval in May 2012 to commence formal procurement.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The Council's aim will be to maximise best value through the procurement of new contracts listed in Appendix 1, For the purposes of the OJEU Prior Information Notice (PIN)an indicative contract value range of £80 million to £100 million will be used. This figure reflects the total funding available for the life of the contract (2014 to 2028). £100k is included within the revenue budget strategy for both 2012/13 and 2013/14 to meet the costs of specialist support for the

		procurement process. See paragraph 5 for further details.
LEGAL ISSUES	Yes	The Council must have regard for the Public Procurement Regulations 2006 (as amended), together with the Council's own Constitution. There may also be TUPE issues arising but ongoing legal advice will be provided throughout the project.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Procurement processes can bring a risk of challenge from bidders and the Council and its legal advisers will need to ensure the procurement is carried out in accordance with the legal requirements. There is also a risk of challenge if the procurement process is abandoned partway through or if the Council decides to vary its requirements (which is likely to lead to having to re-start the procurement process).
IMPACT ON SPECIFIC WARDS	Yes	The future waste management service will have a borough wide impact.

4. INFORMATION

4.1 Local Context and Background

Procurement

4.1.1. Current contracts, including contract periods are illustrated in **Appendix 1**.

4.1.2. On the 8 December 2008, Cabinet took the decision to cease a procurement exercise for a long term waste treatment and disposal contract. This was to enable the Council to carry out a detailed options appraisal to establish the best known viable solution for managing the treatment and disposal of both residual and dry recycled waste. This work is referred to in 1.4 and 1.5 which has determined that it would still not be beneficial for the Council to build its own waste treatment facility.

Waste Management Strategy

4.1.3. The Council's Municipal Waste Management Strategy 2005-2021 was scheduled for review in 2008 and again in 2012. The 2008 review led to the decision to cease the procurement exercise in the same year. In addition, to support forthcoming formal procurement a more detailed analysis has been undertaken (see 1.2, 1.3, 1.4 and 1.5 above), together with a range of community engagement exercises (referred to in 4.1.11). This work, together with the outcome of the procurement process will inform the second review and until then this report provides an update to the Council's strategic direction to waste.

Waste Composition and Targets

4.1.4. The key findings of analysis undertaken in 2006 on the average composition of kerbside collected residual waste within Telford & Wrekin established that 22% of materials could have been recycled through using the existing dry recycling kerbside collection service.

4.1.5. In 2011 this figure lowered to 17.5%, following a number of key changes made to improve the dry recyclable collection service for householders. These changes included the introduction of the collection of plastic bottles and trays and the provision of additional and alternative dry recyclable containers. The three main components of residual waste in 2006 compared to 2011 were:-

	2006	**2011**
Food waste	31.5%	36%
Plastic	18.5%	17.5% (2.1% of this is plastic bottles which could be recycled via the existing kerbside service)
Paper	13.5% (was already collected by the dry recyclable kerbside collection)	10.6% (half of which could be recycled via the existing kerbside collection service)

4.1.6. Household dry recyclable and green waste (combined) diverted from landfill was 43.69% in 2010/11, an increase from 35% in 2006. **It remains important that the Council maximises the amount recycled to reduce landfill costs.**

4.1.7. National statistics indicate that **a co-mingled recycling solution can increase the amount of dry kerbside recyclables collected by up to 24%**. Based on 2010/11 tonnages such an increase in Telford and Wrekin would raise recycling tonnages by 3,013 tonnes.

4.1.8. Of the top 13 improving authorities in England in 2010/11, 11 moved to co-mingled collections via wheelie bins. 26 of the top 30 performing councils in 2009/10 started using co-mingled collections. When combined with other systems it is estimated that recycling rates of over 70% can be achieved. There is the opportunity for the Council to assess a package of systems that deliver an increase in recycling rates where affordable.

4.1.9. The Council managed a total of 88,675 tonnes of Municipal waste in 2010/11. Of this 51,506 tonnes were land-filled, 37,152 tonnes were recovered or recycled and 16 tonnes of clinical waste were heat treated.

Population Growth and Community Engagement Findings

4.1.10. The current population model has recently been re-run using revised forecasts of housing growth (provided by the Council's Planning service) to take into consideration the current economic climate. This envisages a population projection of between 191,000 and 196,300 by 2026 depending on the level of development of allocated and expected future allocated housing land. The population of the Borough in 2010 was some 170,300 people – a growth of 1,500 from 2009.

4.1.11. A number of community engagement activities have been undertaken over the last 18 months to seek feedback on the future waste service, barriers to recycling and the food waste trial. A summary of responses from these engagement activities has indicated that:

a. There is support to increase recycling rates to over 60%.
b. There is an openness to increase the range of materials recycled, provided the system is kept simple and clean.
c. The current kerbside dry recyclable system is complicated as the number of containers and bags are difficult to manage and require considerable storage space.
d. There is a preference for a single wheelie bin dry recyclable system.
e. The food collection system would be better received if liners were provided for the containers as there is concern about odours and cleanliness.

4.2 Emerging Legislative Considerations

4.2.1 Earlier this year the Government released proposals for future waste management, following a national review of Waste Policy. Government intend to consult on further restriction on waste which can be sent to landfill. There will be a consultation on banning wood waste to landfill during 2012 but also on textiles and biodegradable waste during the current Parliament.

4.2.2 Food waste is a key biodegradable waste and the review sets out the long term vision to treat this as a resource for renewable fuel and bio compost with none being sent landfill. Food waste could be banned from landfill before 2014 and any national funding to support this is not clear at this stage.

4.2.3 Although not specifically mentioned in the review, nappies are partially biodegradable and these may also be included in a ban on biodegradable waste to landfill.

4.2.4 The EU national targets to divert biodegradable waste from landfill were apportioned to individual councils by Government and managed through a landfill allowance trading scheme (LATS). At the point of the review the Government took the decision to remove the scheme which will end in 2013. However, national targets will remain until 2020 and the Government will use landfill tax as an incentive to meet national diversion targets.

4.2.5 To meet future targets it is estimated that the amount of biodegradable waste sent by the Council to landfill will need to be reduced by a further 29% (18,365 tonnes) per year. **If the current collection systems and disposal transport and treatment infrastructure continues (i.e. the Council does nothing to reduce biodegradable waste going to landfill) this could cost the Council an additional £698,000 per year**.

4.2.6 The Waste (England and Wales) Regulations 2011 introduced changes to the national ‘waste hierarchy’. These changes place duties on local authorities to ‘take all such measures available to it as are reasonable’ to apply the waste hierarchy’. This means that the Council will have an increased legal responsibility to recycle, reuse and minimise waste material. The Environment Agency will shortly publish guidance on how these requirements can be met in practice.

4.2.7 From 1 January 2015 measures must be taken to separately collect waste paper, metal, plastic and glass. However, a co-mingled collection is currently considered a separate collection which complies with this requirement.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 Any EU procurement process carries with it the risk of legal challenge should transparency, openness and fairness not be adhered to throughout the process. There is also a potential for challenge if the Council materially changes the nature of its requirements during the process. Any challenge has the potential to result in significant financial and legal implications. Therefore, establishing the Council's requirements and future contract service model and the process by which it will be achieved is a critical element of preparing the Council for procurement.

5.2 To determine the procurement 'lots' it is essential that the Council establishes the nature of the future waste management service so that this can be broken down into contract elements for potential contractors to bid against.

5.3 The costs of the service as outlined in the Outline Services Framework at Appendix 2 will be determined during the tender process. The budget assumption is that the new contracts will be delivered within available budgets in *2*014/15 (net of 20% savings). For the purposes of the PIN an indicative figure of £80m to £100m will be used. *T*his reflects the total budget available for the whole life of the contract (2014 to 2028).

5.4 The procurement process will be managed by existing staff as far as possible in order to minimise costs, although specialist legal and financial support will be required on occasions. Provision has been made within the budget strategy for £100,000 of external support costs each year for two years, 2012/13 and 2013/14.The use and cost of external and specialist support will be monitored and controlled by the Waste Steering Group and reported through the financial monitoring process as necessary. Any unavoidable unbudgeted costs will be met from service underspends (if available) or the corporate contingency budget.

5.5 Financial advice and support will be provided throughout the procurement process and further reports will be brought forward for approval as necessary.

6. PREVIOUS MINUTES

6.1 8 December 2008 Cabinet report advised Members of progress regarding the establishment of new treatment and disposal services and approval was given to terminate the existing procurement without awarding a contract.

6.1.1 22 June, 2010 Cabinet report gained approval to make changes to the provision of the waste management infrastructure in the borough, including the construction of a new community recycling centre, to replace existing centres, co-located with a waste bulking station.

6.2 21 June 2011 Cabinet and 23 June 2011 Council, report on Service and Financial Planning 2010/11 outturn and 2011/12 update, amended the capital allocation available for the Waste Strategy.

6.3 10 November 2011 Cabinet and 24 November 2011Council, report on 100 Day Review of 2011/12 Service and Financial Planning Strategy, deleted the capital allocation for the waste strategy which included for the provision of a bulking station, pending the oucome of the waste and recycling procurement exercise.

7. BACKGROUND PAPERS

7.1 Government Review of Waste Policy in England 2011.

7.2 Telford & Wrekin Council Municipal Waste Management Strategy 2005 to 2021.

7.3 Telford & Wrekin Population Estimates and Projections Report November 2011.

Report prepared by Debbie Germany, Organisational Improvement Manager (telephone: 01952 384065) in conjunction with Matt Whitfield, Strategic Waste Team Leader.

Appendix 1 – Waste Management/Treatment Contract End Dates and Arrangements

Contract End Date	Contract Type	Current Contractor 2011/12
12 months notice by either party	Community Recycling Centre - Granville	SITA
April 2013 (Option to extend to 2014 or 2015)	Residual/Municipal Waste Disposal to Landfill	SITA
April 2014	Dry Recyclable Collection	TWS Ltd
April 2014	Dry Recyclable Disposal	Sub contracted by TWS to Pink Skips cost within the overall TWS contract
April 2019	Residual/Green Waste Collection	TWS Ltd
April 2019	Green Waste Disposal	Sub contracted by TWS to Jack Moodys Ltd
April 2019	Community Recycling Centres	TWS Ltd

Appendix 2 - Outline Service Framework

Ref	Contract Elements - Lot/s to be confirmed after the Market Sounding day and before formal procurement	Single Procurement 2014 – 2028 (2014 – 14 years and 2019 – 9 years)		
		New Contract From	Existing Contract Expires	Comments
1.	**Minimum Collection:** **a)** Dry Recyclables - paper, glass, cardboard, cans, plastics, plus batteries, light bulbs, and textiles	2014	2014	• Maintain alternate weekly collection • Explore co-mingled solution for paper, glass, cardboard, cans and plastics • Explore combining food and co-mingling collections on one vehicle
2.	**Possible Collection:** **a)** Food **b)** Other materials	2014	n/a	• Weekly collection may be desirable - requirement may be essential depending upon legislative changes. • Appropriate containers to respond to resident feedback
3.	**Minimum Collection:** **a)** Residual **b)** Green	2019	2019	• Maintain alternate weekly collection. • Explore same vehicle collection of green and residual. • Up to 240L wheelie bins for green and residual waste.
4.	**Treatment and Disposal:** **a)** Build a waste/transfer bulking station facility (if necessary) **b)** Operation of a bulking station inc. de-watering of road sweepings/gullies (if necessary) **c)** Treatment and disposal, including onwards transport	2014 (no later than 2015) 2014 2019	Disposal: 2014 (MRF) 2013/2015 (landfill) 2019 (green)	• Council to assess the market for: a) Council makes available land and, if it is able, submits an application for outline planning permission (if possible, outline planning permission secured in parallel to procurement) for the future contractor to build and operate a facility b) future contractor is able to provide land on which to build and operate the facility. c) future contractor is able to have access to an existing facility • Meet the Council's statutory responsibility to minimise waste sent to landfill.
5.	**CRCs:** **a)** Site management and management of specialist destinations e.g. tyres **b)** Transport to bulking station and specialist facilities **c)** Support s local re-use scheme	2019	2019 (except Granville)	• CRC review outcome to determine site management arrangements.
6.	**Bulk Collections**	2019	2019	• Seek ways to encourage/support 3rd sector

TELFORD & WREKIN COUNCIL

CABINET - 23 FEBRUARY 2012

SCHOOL ORGANISATION - JIGSAW SCHOOL

REPORT OF ASSISTANT DIRECTOR FAMILY & COHESION SERVICES AND ASSISTANT DIRECTOR EDUCATION CULTURE AND SKILLS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The purpose of this report is to consider need and set out proposals for the potential reconfiguration of education provision at the Jigsaw School site in Hadley, Telford. This has been undertaken as a result of the recent review of the current service delivery arrangements at the Jigsaw site.

2. RECOMMENDATIONS

2.1 **It is recommended that subject to being able to appropriately re-commission accommodation provision currently provided at JIGSAW Cabinet agree a period of consultation for establishing a specialist ASD school. Initially the school would be managed and governed by Hadley Learning Community which would allow more detailed proposals for an ASD school to be developed and presented to Cabinet at a later date.**

2.2 That the results of consultation be brought back to a future Cabinet for further consideration of a final option for JIGSAW school. This report will also include option for the the four purpose built 4 bedded children's homes which form a crescent adjacent to the school.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to priorities emerging from budget consultation?	
	Yes	Our own JIGSAW school will establish a strong relationship with employers and support growth through developing an appropriate skilled and motivated workforce (A growing local economy to create jobs), Children and their families will be supported to success through good quality education (Improved life chances for all), the needs of children and young people are best met in their families and communities (vulnerable children are protected), and by working with employees, service users (children, young people and their families) we will improve outcome for this group (a cooperative Council working with the community).
	Will the proposals impact on specific groups of people?	
	Yes	This policy will impact on children who are assessed as having a special educational need which is currently not being appropriately met in our maintained schools, leading to a number of high cost external placements. In particular a number of children and young people with Autistic Spectrum Disorder (ASD) and behaviour, emotional and social development (BESD) needs
TARGET COMPLETION/DELIVERY DATE	The poposed project will be delivered in two phases with the first phase commencing in September 2012 (the school in its current form taken over by an existing maintained school) and then September 2013 the school would become an ASD and BESD school.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial implications and risks associated with these recommendations are detailed in Section 8 of this report. Further discussions on the interim solution would need to take place before a robust assessment of the cost of the recommendation in paragraph 2.1 could be given. More detailed financial modelling of the long term proposals will take place when the results of the consultation are known and more defined options are explored. Based on the very limited information currently available it is anticipated that a revised model for the provision of education on the Jigsaw site should produce some savings. There are financial risks which could arise from the transitional arrangements which will need to be put in place to progress these proposals. TAS 13.2.12

LEGAL ISSUES	Yes	A full Legal Comment is provided at Part B) Additional Information at Paragraph 9
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	• It should be noted that the recommendation below can only proceed if we are able to commission alternative appropriate accommodation for young people residing in the JIGSAW care homes. The move on plans for young people must take into account the needs and wishes and the care plan for each young person currently resident in the JIGSAW houses. • There is a risk that the DfE and/or school governing body at HLC will not approve this proposal. The Council is currently in discussions with both the DfE and Principal and Governors of HLC over these proposals.
IMPACT ON SPECIFIC WARDS	No	Children and young people attending JIGSAW school come from across the Borough. JIGSAW school is located in the Hadley & Leegomery Ward. A change in status will not have any significant impact on the ward.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 Jigsaw is part of the Hadley Learning Community Private Finance Initiative. The premises at Jigsaw comprise the school unit (for 30 pupils) with sports hall and grounds and car parking. Four purpose built 4 bedded children's homes form a crescent adjacent to the school.

4.2 We hold a contract with Castle Care to the value of £942,039 for the school provision. This funds 30 places at the school for children in key stages 3 & 4 (11 – 16 yrs) with significant and complex behavioural, emotional and social difficulties (BESD) who are on school action plus and may have a statement of educational need (SEN).

4.3 Current special provision, including JIGSAW does not meet present needs, with secondary phase special school provision at capacity, leading to a number of high cost external placements. There is space within the current JIGSAW school for at least 12 additional students. Furthermore recent benchmarking work suggests that our contract with Castlecare to operate JIGSAW Education no longer represents value for money.

4.4 We are also considering options for using the 4 houses on the JIGSAW site (see background in Annex A). A separate report will be brought to Cabinet setting out options for the JIGSAW care shortly. It should be noted that the recommendation below can only proceed if we are able commission alternative appropriate accommodation for young people residing in the Jigsaw care homes. The move on plans for young people must take into account the needs and wishes and the care plan for each young person currently resident in the JIGSAW houses.

5. IMPACT ASSESSMENT – NEEDS & DEMAND

5.1 A task and finish group comprising managers from disabled children's services, education, SEN, commissioning and school improvement undertook an analysis of need focussing on Telford and Wrekin students with a Statement of Education Need (Statement) 20 hrs+ attending a range of education establishments including independent schools (out of Borough placements), Jigsaw school, mainstream and Mount Gilbert.

5.2 The analysis involved a review of children's education files to establish the primary needs identified in their Statement. The group also collated financial commitments for our out of Borough placements with independent special schools.

5.3 The group analysed the numbers and ages of children and young people placed in out of Borough provision during the years 2008/09, 2009/10 and 2011/12 to consider the trajectory of placements and need. The group also collected data on the needs of children and young people placed in Jigsaw school, mainstream schools and Mount Gilbert Special School for 2011/12.

5.4 This analysis concluded that the biggest individual cohort of children and young people placed were those who fell into the Autistic Spectrum Disorders (ASD) and Behaviour, Emotional and Social Development (BESD) category of need.

5.5 The task & finish group identified that in 2011/12 the total cohort of children and young people in the ASD/BESD category of need numbered 41 (9 of these are educated in independent schools (excludes JIGSAW).

5.6 29 children are currently on roll at JIGSAW school. Of those 10 are on the autistic spectrum or have ASD with BESD.

5.7 The conclusion is that this cohort could therefore form an ASD/BESD specialist school provision operating from JIGSAW school. If this proposal is approved a period of transition will be required with changes taking places over a number of years.

6. PROPOSALS

6.1 The Council develops a specialist ASD school for children and young people who also experience behavioural, emotional, and social difficulties (BESD). The provision would work towards achieving the standards of the NAS Autism Accreditation Scheme. This provision will compliment provision already in place or being developed in mainstream primary and secondary schools for children and young people at the lower end of ASD or BESD need.

6.2 To allow time to develop a specialist ASD school it is proposed that the existing school be annexed to Hadley Learning Community with leadership being provided by a Vice Principal JIGSAW working to the Principal at HLC with effect from September 2012. This will allow JIGSAW to benefit from the Principal at HLC's Local Leader in Education (LLE) status. HLC is an improving school with the capacity to support JIGSAW school as well as being able to absorb the Key Stage 4 results for the additional students with statements and not be at risk of falling below the Floor Standard. We are in preliminary discussions with the school about interim arrangements. It is anticipated that these arrangements would be confirmed during the consultation phase.

6.3 **Benefits:**

- We would address the needs of this specific group locally
- We could realise financial savings
- We would reduce journey times for children and young people and their families
- We would align relationships with Interserve our PfI contractor

6.4 **Risks:**

- Robust access criteria would be required to manage and prioritise demand.
- We need to ensure that multi agency colleagues support these proposals
- The DfE reject proposals for reconfiguration (The Council must seek the approval of the DfE to this proposal)

6.5 ASD schools often provide residential accommodation for some of their pupils. Further work during the implementation phase working with our proposed partner would examine an option for using a JIGSAW house/s for this purpose. Initial work indicates that the houses would be capable of being used for this purpose.

6.6 Other options including extending the present contract with Castlecare, opening a new local authority school and re-procuring school provision have all been considered and rejected. It is not clear from consultation with the DfE whether we would be allowed to open a new local authority school or whether this would need to be an academy. These options have been rejected at this stage but will be re-evaluated during the second phase of implementation where we develop our offer to develop an ASD and BESD school.

7. CONSULTATION TIMELINE

7.1 In line with statutory requirements and the Council's "Cooperative Council" priority we will work with employees and our community through a series of engagement and consultation sessions with partners, stakeholders and service users including:

- parents from across Telford & Wrekin will be asked for their views on the need for a local specialist school for young people with autism. We will also consult with existing groups and organisations including Parent Partnership Services, Parents Opening Doors (PODs) etc.
- Local schools and statutory agencies including health
- Employees of JIGSAW school and care homes

- Parents and carers (including corporate parents) of children and young people at the JIGSAW school

7.2 As the contract with the current providers of education at the Jigsaw school is due to end in July 2012, consideration is being given to the processes needed in order to continue the school with a new education provider from September 2012**.**

7.3 The proposal set above would involve the TUPE transfer of staff to HLC with effect from 1st September 2012. As the staff are Castlecare employees they would have to arrange communication to staff and a consultation period prior to the transfer, The Council would represent the school as the receiving employer. Indicative dates for Castlecare are shown in light grey below.

7.4 The following indicative timetable would enable transition to phase 1 with effect from 1st September 2012:

No.	Actvity[1]	Date By
1	**Cabinet approval to consult**	**23rd February 2012**
2	**Consultation Begins**	**27th February 2012**
3	Staffing structure (with nominations) published for consultation	27th February 2012
4	**Statutory consultation ends (full 6 weeks)**	**16th April 2012**
5	Staffing structure (with nominations) consultation closes	16th April 2012
6	**Cabinet to consider outcome of consultation**	**26th April 2012**
7	Response to comments, final staffing structure and recruitment timetable published	27th April 2012
8	Recruitment process commences	w/c 30th April 2012
9	Recruitment process completed	w/e 11th May 2012
10.	**Publish statutory notice (PN) – assumes cabinet approval**	**30th April 2012**
11.	If necessary – staff informed of potential redundancy and invited to Individual consultation meeting.	w/c 14th May 2012
12.	If necessary – notice of redundancy issued and right of appeal given	By 31st May 2012
13.	**PN Representation period complete**	**11th June 2012**
14.	**Cabinet make final decision**	**June 2012**

7.5 Following the Cabinet decision some bodies are entitled to lodge an appeal with the Office of the School's adjudicator which could take a further 4 to 6 weeks

[1] **School Organisation Required dates shown in bold**

8. FINANCIAL COMMENT

8.1 Delivery of the school provision on the Jigsaw site costs the Local Authority £942,039 p.a. which is paid to the contracted service provider. There are also other costs associated with the premises which are incorporated in the PFI contract with Interserve,

8.2 The costs of the 9 children and young people with ASD (and BESD) in out of Borough independent provision was £767,232 at the time of data analysis.

8.3 By increasing the capacity at JIGSAW to accommodate an additional 10 to 12 children and young people and by re-designating the school ASD/BESD we would expect to reduce the unit cost per pupil and reduce the cost of external placements.

8.4 Further detailed work on any long term option would need to be carried out before any robust assessment of financial implications could be made. In general the option should produce savings by reducing the need for expensive out of area placements and other associated costs but only if the final model could be put in place at reduced unit costs.

8.5 Based on the current Local Authority schools funding formula any provision through a Local Authority maintained school could be at a lower cost although the specific characteristics of the school and pupils would need to be assessed before this could be known. It is likely that these type of pupils could attract a need for increased funding. The Government's planned future changes to school funding could also have an impact on this position.

8.6 As a guide to the likely future cost of this provision the funding via the local schools funding formula for a special school provision of 40 places (excluding PFI costs) has been calculated. This would provide a delegated schools budget of approximately £714k a reduction of over £200k on the current contract cost. It is unclear without further work what, if any, additional funding may be required for ASD pupils but factoring in an uplift of 20%, as an estimate, on the place related formula would increase the budget to £800k – reducing the saving against contract to £142k.

8.7 The interim solution recommended at paragraph 2.1 above would require existing staff to be tuped over to HLC . An assessment of the likely cost of this arrangement for 12 months has been made using the limited information available. This indicates a cost of approximately £706k although further work on staffing levels and other costs would need to be carried out following discussions with HLC before this figure could be confirmed. This results in a saving of over 200k against the current contract which may be reduced once more detailed planning of the interim model has progressed. As the current costs of the contract include profit margins, contributions to the company's own central costs and some management costs, we would still expect to see a significant saving arising from this change even if the initial estimate is understated.

8.8 Significant short and long term costs could arise if the transitional arrangements are not carefully managed and result in existing Jigsaw pupils needing to be placed in alternative independent provision.

8.9 There is also the potential for additional costs to arise if the interim proposal cannot be implemented within the required timescale . These costs could arise either through a need to alternatively place children and perhaps not then be able to bring them back to a new provision or a need to extend the contract with insufficient time to successfully negotiate the new terms and conditions.

8.10 The financial risks and costs associated with the future provision of the care element of the existing Jigsaw contract cannot be assessed until more detailed proposals are developed. The transitional arrangements for all children placed in Jigsaw residential places will need to be carefully managed and planned as the existing contract draws to an end. Officers will be seeking to place children appropriately ensuring they meet their needs and this may result in some placements at Jigsaw becoming void before contract end. Any void placements would still be charged to the Council at a cost of approximately £3,000 per week and could have an impact on the services financial position in 2012/13. Officers are aware of this issue and would seek to mitigate additional costs as far as possible within the parameters of the needs of the children concerned.

9. LEGAL COMMENT

9.1 The Project Agreement dated 15th March 2005 between the Council and Pyramid Schools (Hadley) Limited ("Pyramid"), required that Pyramid would invest and participate in the design, build, servicing and maintenance of school facilities pursuant to the Private Finance Initiative at the site known as the Hadley Learning Community and Jigsaw Project.

9.2 All current contractual documents for the Jigsaw Project between the Local Authority and CastleCare Group Limited ,acting by its subsidiaries Castle Homes Care Limited and CastleCare Education Limited, were completed on 26.6.09.

9.3 These documents comprise the main Agreement ,which has a term of 3 years from 1.8.09 to 31.7.12 .This included an option to extend for 2 years under Clause 3.2., provided the parties meet to discuss the option no later than 12 months prior to the expiry date.

9.4 There were also 2 leases entered into for the same 3 year term, one for the school and one for houses 2 and 4.

9.5 Clause 20 of the Agreement deals with termination ,which enables written notice to be given by either party to the other in the event of corruption ; change of control affecting the ability to provide the services; administration; or material default that cannot be remedied.

9.6 Otherwise, the Agreement will terminate forthwith if the Property Agreement [i.e. the related leases] ceases in its entirety , or if the Provider ceases to be registered with Ofsted .

9.7 Therefore , the Agreement is coterminous with the leases and will end when the leases end.

9.8 There is no provision for notice to be given under the Agreement to this end , therefore when the leases end on 31st July 2012 ,the Agreement will cease, as clearly set out in Clause 20.

9.9 The leases are excluded from the security of tenure provisions of the Landlord and Tenant Act 1954, which means they will automatically come to an end at the end of the term, again, without notice being required.

9.10 Although the main contractual documents do not require notice to be given , it would be important for the Council to advise the Providers of its intentions as soon as possible ,especially due to the impact of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) (TUPE) which will be applicable to the current staff group at the school and the required statutory consultation process.

9.11 Schedule 2 of the Agreement covered the separate service level agreements to be entered into with Interserve Education, Pyramid, the Council or the Primary Care Trust. These will individually need to be considered as to any notice requirements that they contain if they are to be co terminous with the main Agreement.

9.12 The changes to school organisation are governed by the requirements of the Education and Inspections Act [2006] (the EIA) and Guidance from the Department for Children Schools and Families ,now Department for Education. The Local Authority are required to follow a statutory consultation process to establish a specialist ASD School ,pursuant to the requirements of Part 2 and Schedule 2 of the EIA [2006].

10. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

10.1 Our own JIGSAW school will establish a strong relationship with employers and support growth through developing an appropriate skilled and motivated workforce in line with our emerging priority “A growing local economy to create jobs”

10.2 Children and their families will be supported to success through good quality education in line with our emerging priority “Improved life chances for all”

10.3 The needs of children and young people are best met in their families and communities in line with our emerging priority “Vulnerable children are protected”. This will be achieved by reducing the need for children and young people to be placed out of Borough to meet their educational needs.

11. PREVIOUS MINUTES

N/A

12. BACKGROUND PAPERS

N/A

Report prepared by Clive Jones, Assistant Director Family & Cohesion Services, Jim Collins, Assistant Director Education, Culture & Skills and Viv McKay, Group Manager Procurement, Placements & Commissioning. Telephone: 01952 380900

Annex A

Jigsaw Site Care Homes

1.0 Current Model

1.1 We currently hold a block contract for 6 residential care beds, two houses with 3 beds in each on the Jigsaw site.

2. 0 Context

- Our Placements Commissioning Strategy identifies the need to increase foster care provision and decrease residential care provision.
- The review of the Jigsaw care provision identified low demand and high costs for the service provision and some inflexibility of the provision to meet need.
- We have identified a need for respite and consider that a short term assessment provision could benefit the outcomes of our young people.
- We are undertaking a major tender for a framework contract for residential provision with the other 13 West Midlands Authorities which we consider will meet our residential needs. If this proves not to be the case we can review the position and re-open a property.
- Our block contract with Castle Care for the residential care beds has an end date of 31st July 2012.

3.0 Proposal

3.1 In forming this proposal we met to review the needs and plans of the children and young people currently accommodated on the Jigsaw site and consider the implications for new referrals.

3.2 If appropriate the objective would be to reduce the number of residential care beds block purchased in 2012. We also propose to consider the delivery of a residential short term assessment for children and young people (multi agency) utilising one of the properties either as a 3 or 4 bedded unit. This provision could also offer outreach dependant upon funding. The detailed costing and model for this type of provision would be worked up in detail at a later date and we would have to tender for this provision unless delivered in house.

4.0 Residential provision

4.1 Other residential provisions will be picked up through spot purchasing arrangements using the regional residential framework. The possible risks in solely using spot purchasing arrangements are:

- Will not have direct access to a home/residential long term;
- Providers would have to match with existing children/young people and we would not know until we refer what the needs of the existing children/young people are.

5.0 Current Cohort of children and young people accommodated at Jigsaw

5.1 There are five young people accommodated within the JIGSAW children's homes.

TELFORD & WREKIN COUNCIL
CABINET 23 February 2012
DAWLEY TOWN HALL - INVESTMENT FOR COMMUNITY USE
REPORT OF THE HEAD OF PROPERTY & ICT

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 That the Council takes the following steps to continue to work with partners and the community to return Dawley Town Hall to community use which will:

- Provide support to the Dawley Town Hall Steering Group and Dawley Regeneration Partnership to establish the Dawley Town Hall Trust
- Provide a lease for the management of the building to the 'Dawley Town Hall Trust' via Dawley Regeneration Partnership
- Allocate £120,000 towards the refurbishment costs
- Support the 'Community Trust' to access other funding streams including an application to the Big Lottery

2. RECOMMENDATIONS

2.1 That the Council continues to work with the Dawley Town Hall Steering Group, Dawley Regeneration Partnership, Partners and the Community to return Dawley Town Hall to community use to include support to secure additional funding and to establish the 'Dawley Town Hall Community Trust' under the umbrella of Dawley Regeneration Partnership to manage the building in the future.

2.2 That delegated authority is given to the Head of Property & ICT in consultation with the Cabinet Member for The Environment, Cooperative Council and Partnerships to negotiate and agree terms of an appropriate lease for Dawley Town Hall with the Dawley Regeneration Partnership or Dawley Town Hall Trust.

2.3 That funding is allocated as identified in section 5 of this report to contribute to the refurbishment costs to bring the building into community use.

2.4 That delegated authority is given to the Head of Governance to execute any documents necessary to give effect to the above recommendations.

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Improved 'life chances' for all and People feeling safe and proud of where they live
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	External funding application submitted February 2012, programme of refurbishment to be developed following outcome of funding application	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial implications are detailed in paragraph 5 of this report. JAC 200112
LEGAL ISSUES	Yes	The Council has an obligation to obtain best consideration when disposing of any land and property (including granting leases of 7 years or more). This disposal by way of a lease will constitute a disposal at an undervalue which is permitted providing it is considered that the lease will help secure the promotion or improvement of the economic, social or environmental well-being of its area. Regard should be given to the Council's Community Strategy.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Project has the potential to have a positive impact for Residents in Dawley and the surrounding area by providing a venue for social, employment and training activities. Due to the location of the building,

		additional investment may be required to reduce the possible transfer of noise; this will be dependent on the agreed hours of use. The project will need to generate sufficient income to cover the future management and maintenance costs of the facility, the Dawley Town Hall Steering Group are currently finalising their business plan to ensure these costs can be met.
IMPACT ON SPECIFIC WARDS	Yes	Direct impact upon residents within Dawley Magna Ward, however the facility will be available for use for other groups and residents from other wards in the Borough.

PART B) – ADDITIONAL INFORMATION

3. INFORMATION

3.1 Background

3.1.1 Exploring the feasibility of returning Dawley Town Hall to community use was identified as a an action within the Co-operative Council early adopter programme. Dawley Town Hall has been unoccupied since early 2010. Since then a few enquiries have been made by local community organisations and residents regarding the future of the building. A site plan for the building is shown in Appendix 1.

3.1.2 The Community Engagement, Equalities and Action Team were asked to explore a range of models for returning Dawley Town Hall to community use. This process has involved carrying out consultation with residents, local organisations and partners on the future use of the building, along with options for the management of the facility. The consultation identified that 96% of those who completed the local survey felt that returning the Town Hall to community use would benefit the community.

3.1.3 A number of meetings have been held with local partners to explore the feasibility of opening the building as a community facility and a number of organisations including Capgemini, TCAT, Phoenix School, Great Dawley Parish Council and Dawley Regeneration Partnership have expressed an interest in becoming involved in the future of Dawley Town Hall and becoming part of a Community Trust that takes over responsibility for managing the building. Great Dawley Parish Council and Capgemini have each pledged £10,000 towards the delivery of the project.

3.1.4 Various models for returning the Town Hall to community use have been considered and the preferred option for local stakeholders is for the building to be leased to a partnership group that is external to the Council. It is felt that this model would enable the group to access a wider range of funding opportunities to refurbish the Town Hall and would provide a more sustainable future for the facility. Dawley Regeneration Partnership has agreed to act as the umbrella body with responsibility for overseeing the refurbishment and development of the facility and to support the development of a suitable community-led management organisation to manage the facility on an ongoing basis.

3.1.5 The steering group are considering cooperative approaches towards delivering the project, an example of this was a recent tidy up of the Town Hall that was carried out by volunteers from Capgemini and a local firm of solicitors. It is proposed that a cooperative approach is taken to both refurbishing the building and its ongoing management, this may include the use of employee and student volunteering, or projects that can develop the skills of young people, such as apprenticeship schemes.

3.2 Feasibility

3.2.1 Community consultation and follow up discussions have indicated that the building could be used for a variety of community activities including family and adult learning, toddler groups, dance classes and drama performances. The building could also be offered to the community for hire for celebration and social events. The steering group are aiming to develop a unique facility that offers something unique in Dawley and complements other facilities in the Town. The development of the new Phoenix School adjacent to the site also offers the opportunity for there to be a close relationship between Dawley Town Hall and the Phoenix School.

3.2.2 The Dawley Town Hall Steering Group have carried out an initial feasibility study to identify the costs of refurbishment, running costs and potential income generation for the facility. The Steering Group is currently drawing up a more detailed business plan as the project will need to generate sufficient income to cover the management and maintenance costs of the building in the future. Consultation has identified the types of activities that people would like to see within the Town Hall, and identified a number of organisations that would be interested in hiring the building for their local group, or to run activities. The group have developed a 'draft programme' for the facility which has identified that sufficient income could be generated to cover the day to day running costs of the building. Partners on the steering group have pledged a contribution towards the management of the facility on an ongoing basis in terms of key holding and bookings.

3.2.3 The steering group has identified that there will need to be resources allocated to the development of the facility within the early stages of the project. It is proposed that a dedicated Project Manager is employed to initially carry out this role; a funding application is being prepared to cover the cost of this post. Once the project is fully operational it is envisaged that this cost would be met from the income generated from hiring out the facility.

3.3 Refurbishment

3.3.1 A number of options for refurbishing the building have been drafted and offer a wide range between £150,000 and £420,000 dependent upon the specification and scale of the refurbishment. The lowest cost of £150,000 is for a basic refurbishment, maintenance and re-decoration of the building (including planning and associated fees). The £420,000 would fund a complete refurbishment including energy efficient investments such as a bio mass boiler which would make the building almost carbon neutral. This will significantly reduce the running costs for the building for the Trust and would strengthen the application to the Lottery. It is proposed to submit an application to the Lottery to contribute towards the costs of the refurbishment and other capital costs, such as the purchase of some equipment. The building is located within a residential area therefore dependent on hours of use additional investment in the building may be required to reduce noise. Through the Dawley Regeneration Partnership the project would be eligible to apply for a range of funding opportunities, including funding from the Big Lottery. The schedule of works for the refurbishment would depend on the amount of funding that can be accessed.

3.3.2 Through existing budgets the Council has identified a contribution of £120,000 that could contribute towards the refurbishment of the building, this funding will be used as match funding to support the Lottery bid. It is suggested that the Council manages this refurbishment process, as requested by the steering group, to avoid the need for a funding agreement to be prepared and executed.

3.3.3 The steering group have so far secured other funding totalling £28,000 including £10,000 from Great Dawley Parish Council and £10,000 from Capgemini. A funding application has been prepared that will be submitted to the Big Lottery to cover the remaining costs of the refurbishment, however if this application isn't successful the basic refurbishment would be carried out using the funding currently identified by the Council and other partners.

3.4 Future Management of The Town Hall

3.4.1 It is proposed that the future management of Dawley Town Hall as a community facility is undertaken by Dawley Regeneration Partnership via the Dawley Town Hall Community Trust. The steering group are currently working towards establishing the trust, however, in the interim Dawley Regeneration Partnership, with the support of the partners on the steering group, will manage the project.

3.4.2 The management of Dawley Town Hall through a Community Trust offers a number of benefits. Telford & Wrekin Council does not have the resources to develop the Town Hall into a sustainable community facility. The development of a Community Trust will provide an opportunity for a wide range of partners and the community to become involved in running the Town Hall. The Trust will also be able to access a wider range of external funding opportunities for the refurbishment and ongoing development of the Town Hall.

3.4.3 It is proposed that a long-term lease be drawn up to allow Dawley Regeneration Partnership to take over the running of the Town Hall on behalf of the Community Trust until it is fully operational. Delegated authority is sought for the Head of Property & ICT to negotiate and agree the terms and conditions of the lease but it is anticipated that the lease period will be 25 years as it needs to be sufficiently lengthy to satisfy the requirements of the lottery funding who require that leases are for a minimum of 20 years in order for projects to eligible for funding. If the funding bid to the Lottery is not successful the proposed length of the lease will be reviewed with the Regeneration Partnership. It is also proposed that any charges to the Regeneration Partnership for lease of the building be minimal based on a ‘peppercorn’ rent. However, Dawley Regeneration Partnership through the Community Trust would take on responsibility for all running costs including insurance, utilities and repairs.

3.4.4 Following community consultation it was identified that there is a need for a multi-use community facility within Dawley. Residents and local organisations would like to see a range of activities available at the Town Hall. It is envisaged that this will include the hiring out of the rooms within the building to local groups such as indoor bowls, youth groups, and music and theatre groups. Phoenix School would also like to use the Town Hall as an outreach facility in the community. Local people have expressed a keen interest in getting involved in the future development of the building, it is the intention of the Steering Group to develop a ‘Friends of Dawley Town Hall’ community group.

4 IMPACT ASSESSMENT ADDITIONAL INFORMATION

4.1 Financial Implications

Capital Implications.
The extent of the refurbishment of Dawley Town Hall is dependent upon the level of funding that can be secured by the Dawley Regeneration Partnership. Estimates of the cost range between £150,000 and £420,000 (Paragraph 3.3.1), including planning, building regulations and associated fees. The Authority has allocated £120,000 from its existing capital programme towards the costs of refurbishment, £70,000 from the capital allocation from Dawley and £50,000 from the leisure capital programme. The balance of funding is to be secured by the Partnership.

Revenue Implications. No revenue funding will be made available by the Authority to the Partnership. Securing funding for the appointment of a dedicated Project Manager (Paragraph 3.2.3) and ongoing running and maintenance costs of the building will be the responsibility of the Partnership.

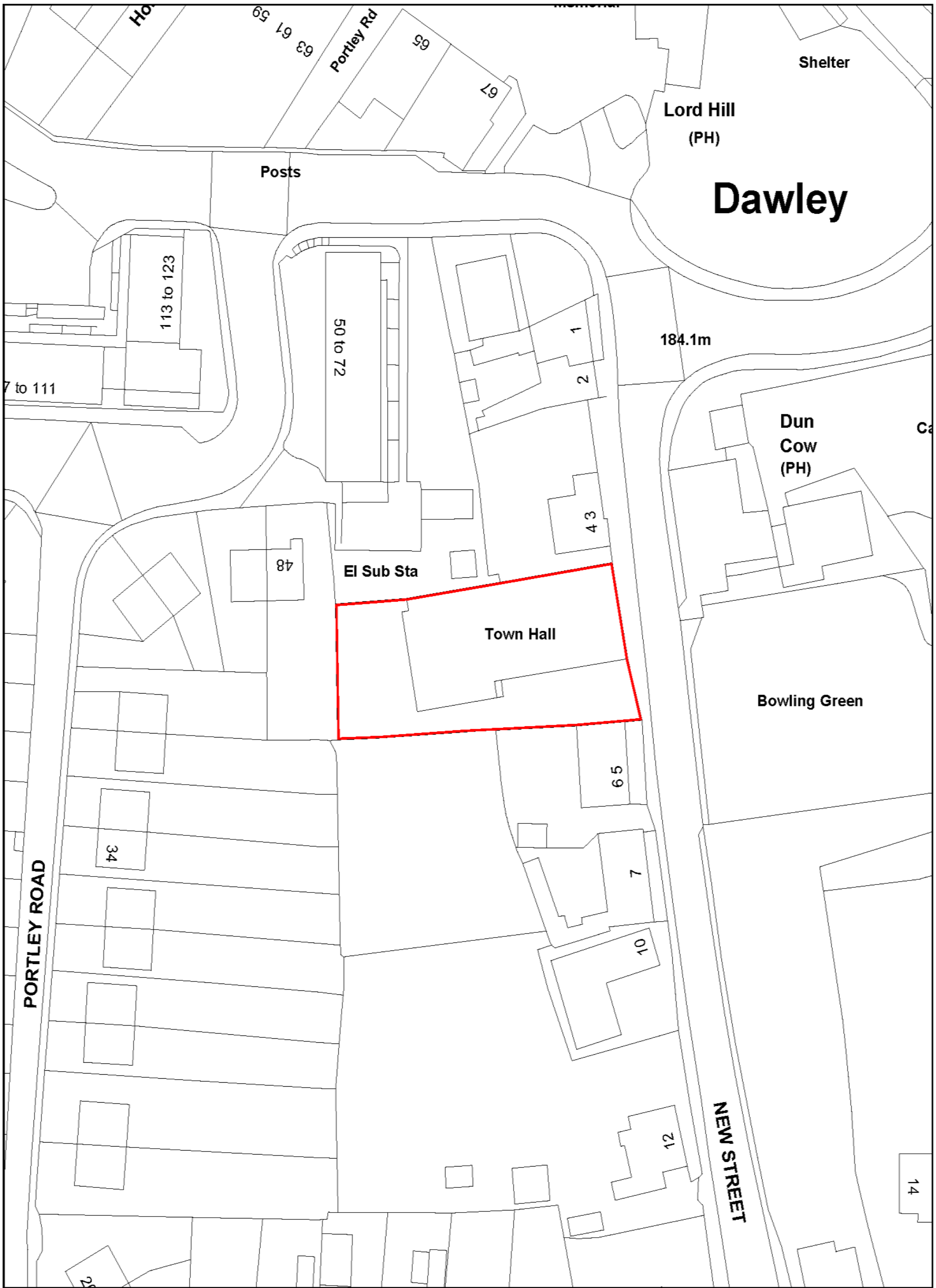
Contribution in Kind – Income foregone. The recommendation is that the Partnership is granted a 25 year lease at a peppercorn rent. The estimated market rent of the property (after basic refurbishment and redecoration) is £5,000 pa. The estimated rent assumes interest in the building at that level which in the short to medium term is very unlikely at these levels. So in essence the possibility of being able to let the building at a market rent in the foreseeable future is minimal. Holding the building in its current form is a revenue burden for the council in relation to costs associated with security, maintenance, National Non-Domestic Rates (NNDR), utility cost and vandalism etc.

5 BACKGROUND PAPERS

None

Report prepared by Rachael Jones, Community Engagement Equalities and Action Manager, Telephone: 01952 382135

Appendix 1



Title	David Sidaway Head of Property & Design Telford & Wrekin Council Darby House, Town Centre Telford, Shropshire. TF3 4LB		Telford & Wrekin COUNCIL
Dawley Town Hall	Scale: 1:500	Drawn by: Arc/DRS	Date: 24/08/2010

TELFORD & WREKIN COUNCIL **CABINET 23.2.12** **A CO-OPERATIVE APPROACH TO WORKING WITH THE COMMUNITY** **REPORT OF THE MANAGING DIRECTOR**

1. PURPOSE

1.1 To update Members on progress in relation to the revised working arrangements for the Priority Action Team, their role in developing a cooperative approach to working with the community and changes in relation to the voluntary sector and future management of Council run community centres.

1.2 To update Members on the delivery of the 'Your Money Your Projects' scheme and seek agreement for the development of a 'Ward Cooperative Fund' for 2012/2013.

2. RECOMMENDATIONS

2.1 To note the information relating to revised working arrangements for the Priority Action Team, Strategic Lead for the Voluntary Sector and future management of the Council's community centres.

2.2 To agree that a 'Ward Cooperative Fund' is developed for 2012/2013 in consultation with the Cabinet Member for The Environment, Cooperative Council and Partnerships.

2.3 That delegated authority is given to the Community Engagement, Equalities and Action Manager in consultation with the relevant ward member to approve and implement applications for funding pursuant to the 'Ward Cooperative Fund' established in accordance with recommendation 2.2 above.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The revised focus of the Priority Action Team will specifically support our priorities relating to Improving life chances for all and People feeling safe and proud of where they live, however, there is potential to contribute to all Council priorities through the work of the team and through the Ward Cooperative Fund.
	Will the proposals impact on specific groups of people?	
	Yes	The proposals relating to 'narrowing the gap' will have a positive impact on those experiencing inequality in relation to employment, skills, education and training, this may be within specific geographic areas or specific groups of people, such as Young People Not in Employment Education or Training.
TARGET COMPLETION/DELIVERY	Transfer of responsibility of Council Community Centres from 1.4.12 Implementation of Ward Cooperative Budget 1.4.12 onwards	

DATE		
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	£54k has been allocated in the 2012/13 budget for "Your Money Your Projects" schemes. The provisional net budget for Community Centres for 2012/13 is £271.9k which includes an income target of £109.8k. The Priority Action Co-ordinators are funded from base budget within Community Engagement. £34.6k has been secured by Donnington Partnership to fund the capital and revenue costs referred to in paragraph 4.3.2. This will be paid directly to Donnington Partnership. MLB 25.01.12
LEGAL ISSUES	Yes	The Council has the power to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area. Before exercising this power the Council must have regard to its Sustainable Community Strategy. It will also be necessary to ensure that individual projects and activities are also within the Council's powers and within Council policy before they are finally decided upon. Ongoing legal advice will be provided in respect of the development of the scheme and advice can also be provided in respect of individual projects if required. It would also be advisable for the criteria for assessment of applications for funding to be drawn up shortly and the criteria and project to be assessed pursuant to the Council's Equalities duties.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	Yes	The main focus of the Priority Action Team will be within the target Wards of Brookside, College, Cuckoo Oak, Donnington, Woodside and Malinslee. The Ward Cooperative Fund will benefit all wards.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 Background

4.1.1 Proposals to develop the Council and Local Strategic Partnership's priority to tackle disadvantage were discussed with Policy Review Group in September 2011. These proposals outlined the role of the Priority Action Team in supporting the delivery of this priority in relation to employment, skills, education and training, and an initial focus upon the wards of Brookside, College, Cuckoo Oak, Donnington, Woodside and Malinslee. This initial geographic focus is based upon the wards with the greatest concentration of residents within the 10% most deprived neighbourhoods nationally on the overall Index of Multiple Deprivation. The other strand of delivering this priority will involve targeting specific groups that are identified as experiencing significant inequalities in comparison to other groups in the Borough, this will mean that the team may also carry out some targeted work in other wards or neighbourhoods.

4.1.2 The Senior Management review launched by the Interim Chief Executive in October 2011 set out the proposed operational arrangements for working in the community. This report included information relating to the role of the Priority Action Team in supporting the Council's priority to tackle disadvantage at a local level, along with the team's role in building the capacity of communities and local voluntary organisations to fully engage in Telford and Wrekin becoming a co-operative Borough.

4.1.3 This report provides an update on the work programme for the Priority Action Team and outlines the proposed changes in relation to the Strategic Lead for the Voluntary Sector and future management responsibility for Council run community centres.

4.1.4 The revised arrangements for the delivery of the Community Fund for 2011/2012 were agreed by Cabinet in June 2011. The report provides an update on the delivery of the 'Your Money Your Projects' scheme for 2011/2012 and outlines proposals for a revised 'Ward Cooperative Fund' for 2012/2013.

4.2 Working in Partnership to 'narrow the gap'

4.2.1 A key role of the Priority Action Team is to coordinate the relationships between local services, communities, Town and Parish Councils and the voluntary sector. In order to strengthen relationships at a local level and to support a more targeted work programme, members of the Priority Action Team have been located within the following community bases; Park Lane Community Centre, Woodside, Brookside Community Centre, and Donnington Lifelong Learning Centre. The team had previously been based at Civic Offices. The Priority Action Co-ordinators are able to work from a variety of community bases across the Borough, allowing the team to have a more flexible approach.

4.2.2 The focus within the initial target wards is on addressing inequalities in relation to Education, Training, Skills and Employment. The starting point for this work has been within Brookside, the Council's co-operative pilot ward. A lifelong learning plan is currently being developed in partnership with relevant services across the Council, Job Centre Plus and other public and voluntary sector partners. The delivery of this plan will be monitored through the Brookside Steering Group and will be key to supporting the wider regeneration proposals for Brookside. A number of initiatives are being considered for Brookside including opportunities for pre-employment training and the development of a range of volunteering opportunities on the estate.

4.2.3 The ‘ward profiles’ produced by the Delivery and Planning Team are being used to develop interventions for the other target wards. The team are working closely with colleagues across the Council and partners such as Wrekin Housing Trust and Job Centre Plus to coordinate activity within the 6 target areas. The work of the Priority Action Team will support the Local Strategic Partnership arrangements outlined in the Senior Management Review report. The work will mainly support the priorities of the following Boards and their task groups; Children and Families Board (Families with Complex Needs Task Force), Housing, Economy and Regeneration Board (Skills and Employment Task Force), and Safer Cohesive Communities Board (via revised Neighbourhood Delivery Groups). Although it is likely that the work of these boards may have an element of geographic focus, their priorities will be issue based and therefore the work of the Priority Action Team won’t solely be restricted to the 6 wards outlined above.

4.3 Working with the Community and Voluntary Sector

4.3.1 The Council’s cooperative approach involves developing a new partnership between local people, the private and voluntary sector and public services. The Community Engagement and Priority Action Teams have a key role in supporting the delivery of this approach. The Priority Action Team’s role involves supporting individuals, residents and small voluntary organisations to develop their skills and capacity to fully participate in a cooperative approach and where appropriate support groups to access external funding. This involves working closely with the Council’s External Funding team and colleagues within CVS. Currently this element of the team’s work isn’t targeted at specific wards and involves supporting a number of groups across the Borough.

4.3.2 The Priority Action Team has been working with a number of residents and voluntary sector organisations to support them to develop and access grant funding opportunities. Ongoing support is provided by the team to Donnington Partnership, and recently the focus of this work has involved supporting them to become a registered charity and develop the Community Cafe into a social enterprise. With the support of the team the Partnership has secured funding to refurbish the kitchen and to employ an Assistant Manager to help to develop the social enterprise. The team has also supported groups to access funding to support voluntary Youth Activities, and they have been working closely with residents and local organisations to develop volunteering activities and to promote volunteering, this has involved working with colleagues to support the establishment of 2 voluntary Youth Groups and to promote volunteering opportunities in Brookside and at the Park Lane Centre.

4.3.3 There are a number of voluntary sector and Council run community centres across the Borough, the Council currently manages 6 community centres within Arleston, Brookside, Donnington, Leegomery, Priorslee and Sutton Hill. The role of Community Centres within our neighbourhoods is seen to be an important aspect of developing our approach as a cooperative council and Scrutiny have identified a review of the existing arrangements for the Council run community centres as part of their work programme. In order to encourage more community involvement within the existing Council run community centres, the management of these centres will transfer to the Community Engagement Equalities and Action Team from 1st April 2012. The team will then have responsibility for taking forward any changes that are agreed in relation to the future operation of Council run community centres. The team currently supports residents and partners to develop community facilities and have been working on projects within Dawley (Dawley Town Hall) and College ward.

4.3.4 The team also work closely with colleagues from across the Council including the Arts and Culture team to support community groups to organise community events. With support from the team a number of successful community and cultural events have been organised including a range of 'community fun days', and exhibitions and events to commemorate Black History Month and Holocaust Memorial Day. The aim is to support community groups to develop their skills to organise their own community events, this will be supported by the development of a Community Events tool kit that has been developed through the Events Safety Advisory Group.

4.3.5 The strategic responsibility for the voluntary sector now sits within the Community Engagement Equalities and Action Team. A number of strands have been identified to take forward this agenda including the development of a 'voluntary sector agreement' as part of the cooperative council settlement. Initial feedback from the Cooperative Council commission has also identified that there is a need to gain more clarity on the funding arrangements that the Council has with the voluntary sector. The initial focus for working with the voluntary sector will be on these 2 key areas. A report will be brought to Cabinet when these areas have been developed.

4.4 Further Developing Your Money Your Projects

4.4.1 The 'community fund' for 2011/2012 has been delivered through the 'Your Money Your Projects' scheme. The approach for the scheme involved the funding being allocated to each ward on the basis of £1,000 per ward member. Members developed proposals with their local community and in consultation with their local Town and Parish Councils, with a deadline being set for proposals to be submitted. Proposals were assessed against a broad set of criteria to ensure that the projects met the Council's legal and financial duties. Proposals have been received from the majority of ward members and the final funding agreements are currently being sent out, and payments being made.

4.4.2 Over 100 proposals were received under the scheme for a wide range of projects. The projects being supported through the scheme include environmental improvements, community activities and events, and funding to support local community groups. In some wards Town and Parish Councils have also made a financial contribution towards the projects. It is proposed to celebrate the achievements of some of the community based projects as part of a wider cooperative council event later in the year.

4.4.3 £54,000 has been set aside within the Council's 2012/2013 budget to further develop the scheme. There has been general support for the scheme in relation to the role that ward members have had in identifying local projects that should receive funding. However, feedback has identified that the scheme would work more effectively if members had more flexibility around when the funding could be allocated. It is therefore proposed, subject to confirmation of the Council's budget, that the scheme be developed into a 'Ward Cooperative Fund'. The principles of the scheme would be as follows;

- Funding be allocated to each ward on the basis of £1,000 per ward member
- Broad criteria would be set out to ensure the funding was allocated within the Council's financial regulations, it is envisaged that the criteria would be similar to that of the 'Your Money Your Projects' scheme
- Ward members would work with their communities to identify local priorities or issues to receive funding
- Delegated authority for allocating funding would be given to the Community Engagement Equalities and Action Manager in consultation with the relevant Ward Member
- Funding could be allocated at any time during the financial year 2012/2013

It is proposed that the Community Engagement Equalities and Action Manager develop the revised scheme in consultation with the Cabinet Member for The Environment Cooperative Council and Partnerships based on the principles outlined above.

5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

The Index of Multiple Deprivation 2010 has been used to identify the 6 target wards that will be used as an initial focus in relation reducing family poverty and 'narrowing the gap', analysis of local data will also identify if specific groups, such as Young People, need to be targeted across the Borough. It is therefore envisaged that there will be a positive impact within both specific wards and groups across the Borough in relation to reducing family poverty.

6 PREVIOUS MINUTES

Cabinet – 21st June 2011 – Report – Delivery of a Revised Community Fund

7 BACKGROUND PAPERS

Report of the Interim Chief Executive, Review of Senior Management Structure & Operational Arrangements to Progress the Development of the Cooperative Council

Briefing Note Delivery and Planning Manager for Local Strategic Partnership – Performance, Poverty and Narrowing the Gap

Report prepared by Rachael Jones, Community Engagement Equalities and Action Manager, Telephone: 01952 382135

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 23rd February, 2012 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 29th FEBRUARY, 2012

(DEADLINE FOR CALL-IN: MONDAY, 5th MARCH, 2012)

PRESENT: Councillors K.S. Sahota (Leader and Chair), E.A. Clare, S. Davies, A.R.H. England, W.A.M. McClements, R.A. Overton, H. Rhodes, C.F. Smith and P.R. Watling

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

CB-93 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 26th January 2012 be confirmed and signed by the Chairman.

CB-94 APOLOGIES FOR ABSENCE

None

CB-95 DECLARATIONS OF INTEREST

None

CB-96 FINANCIAL MONITORING 2011/12

Key Decision identified as **Financial Monitoring and Financial Updates** in the Forward Plan published on 17th January 2012.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Head of Finance, which provided Members with the latest financial monitoring information for 2011/12.

It was reported that Revenue spending for the year was projected to be within budget at year end, after setting aside £2.145m to support the 2012/13 budget, the creation of an invest-to-save fund on £0.500m for 2012/13, and using £1.121m of the remaining corporate contingency. This was an improvement of £0.836m compared to the position in December 2011, mainly due to the impact of vacant posts. However, there were still a number of significant pressures on the budget. The main pressures were: the cost of Adult Social Care purchasing (projected overspend of £0.973m); the cost of Children in Care placements and use of agency staff in the Safeguarding service (projected net overspend of £1.6m); the cost of Specialist Education (projected overspend of £0.4m); along with income shortfalls and inflationary pressures. Projected variances of over £0.100m for individual service delivery units were detailed in the report.

There were benefits from active treasury management, the insurance renewal process, the New Homes Bonus Grant, and £0.580m 2012/13 efficiencies delivered early. It was proposed to carry this benefit forward, together with any unused part of the contingency in the current year, to 2012/13 to create a one-off contingency. It was clear that the Council would have an extremely challenging position for next year, and it was essential that very tight control on spend was exercised for the remainder of the current year.

The capital programme totalled £84.3m, which reflected adjustments for re-phasing and new approvals and the impact of the 100 day budget. Spend to the end of December 2011 was 47% and robust programme management and monitoring was in place to ensure schemes were delivered. Appended to the report were a number of new allocations, slippage and virements for approval. The capital programme over the next few years relied on a significant amount of capital receipts as part of its funding, and the position was being closely monitored. There was no variation from receipts delivered compared to expectation to date.

Collection levels for Council Tax and NNDR collection were slightly behind target, while Sales Ledger debt was ahead of target at the end of December 2011.

Members welcomed the creation of an Invest to Save Fund. Concerns were expressed by Councillor A.J. Eade (Conservative Group Leader) in relation to the continued over-spend in the budget for Children in Care, despite promises that had been given to get this expenditure under control. Cllr P.R. Watling, Cabinet Member for Children, Young People & Families, advised that the numbers of children in care was continuing to increase. However, the current Administration would continue to put the needs of these young people first, and would not take risks with their safety because of financial considerations. However, every effort was being made to get the situation under control, and a cross-party corporate parenting group was being set-up to look at this issue.

RESOLVED –

(a) that the 2011/12 revenue spend, currently projecting to be within budget at year end, be noted.

(b) that the creation of an Invest to Save Fund totalling £0.500m, which will be carried forward to 2012/13, be approved;

(c) that the position in relation to capital spend be noted;

(d) To RECOMMEND to COUNCIL that the new capital allocations, slippage and virements detailed in Appendix 3 of the report be approved;

(e) **that it be noted that collection of council tax and NNDR income is slightly behind target, while Sales Ledger debt is ahead of target at the end of December 2011.**

CB-97 **SERVICE & FINANCIAL PLANNING 2012/13 TO 2014/15**

Recommendation to Council- not subject to Call-In

Councillor W.A.M. McClements, Cabinet Member for Resources & Service Delivery, presented a series of reports of the Managing Director, the Chief Financial Officer and the Assistant Director: Finance, Audit & Information Governance. The reports, detailing the Revenue Budget, Capital Programme, the Treasury Management Strategy and Prudential Indicators, formed the Council's overall Medium Term Service & Financial Planning framework, and identified the service priorities and budget for 2012/13 as well as savings proposals to be delivered over the next three years, and a medium term capital programme. There was a minor amendment to the table at paragraph 5.2 of the revenue budget report, whose columns should have been headed '£000' instead of '£m'

The report set out the pressures facing the Council, including projected grant cuts of around £40m in real terms, reduced income from having a relatively low council tax, increasing numbers of older people needing adult care services, increasing numbers of looked-after children, impact of the economic recession and inflation, the use of over £9.2m of one-off resources in the current year's budget, and the repayment of debt incurred in respect of past capital investment decisions.

The report also outlined the actions already being taken to meet the financial challenges, including reducing the number of senior managers, savings of almost £6m in "back-office" functions, a strong focus on procurement to deliver savings, and a rationalisation of operational buildings across the Borough. Following publication of the Cabinet's budget proposals in December 2011, there had been extensive consultation via a wide range of media and settings to involve local people and allow them to express their views. This had resulted in far more responses and comments being submitted than any other previous budget consultation. Among the key results of the consultation was strong agreement with the plans for Children & Family Services, for Adult Services and for Environmental Services. The most supported savings included the street lighting efficiency programme, with the least supported being the increase in parking charges in Ironbridge and the number of gritting routes for next winter. In the light of the comments received, some of the proposals for parking charges/permits, charges for low-level support to vulnerable adults who did not meet the eligibility threshold for community care support, and for winter maintenance had been revised to reflect the concerns that had been raised by the public. In total, 2,287 people responded to the question regarding Council Tax – 37% favoured Option 1 (use government grant to freeze council tax, but with implications for future years), 37% preferred Option 2 (increase Council Tax by 2.5%), and 26% opted for Option 3 (increase Council Tax by 3.5% with benefits in subsequent years).

An equality impact analysis of the overall impact of the budget was appended to the report, along with environmental and economic impact assessments.

Having considered the responses to consultation and equality analysis, the key proposals being recommended for approval by full Council on 1 March 2012 were:

- In line with the responses to the consultation exercise, a proposed increase in the level of council tax of 2.5% in 2012/13. It was also proposed to plan on the basis of increases at this level for the remainder of the term of this Council. This would ensure that the financial position and ability of the Council to deliver services was more sustainable than the short-term alternative of taking a one-off grant from the Government which would otherwise force greater cuts or a higher council tax increase in 2013/14.
- Implementation of the further reductions to the number of senior managers recently consulted upon and continuation of the organisation wide restructuring and service review process currently underway which would see budgets cut by 20% in most parts of the Council although the actual level of savings would vary between different services. Staffing budgets would have been reduced by over £17m and non-staff savings proposals included in this report totalled over £21m over the three year period.
- To protect the adult social care budget by reinvesting savings of £2.5m back in to adult social care services.
- To continue the Council's investment commitment in key infrastructure projects such as new and improved schools and the regeneration of Telford Town Centre as well as some new investment in Brookside.
- To suspend the contribution to the single status provision until implementation, planned for 2014/15.

The Council's Chief Financial Officer was required to give a view on the robustness of the Council's financial strategy, including the use of balances, and this was appended to the report. This had concluded that the Council was pursuing a sound financial strategy in the context of the most difficult financial position it had ever faced.

The report on the Capital Programme presented the Council's Capital Strategy for 2012/13 – 2014/15 and later years and a capital programme of £336.092m that included the proposed investments contained in the overall budget strategy. Details of the major projects and investments to be resourced were annexed to the report. It also set out the Council's Asset Management Plan and planned building maintenance programme, particularly focusing on 2012/13, and the three year Highways and Transport capital investment programme.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2012/13. To comply with the latest guidance and standards, the Treasury Management Policy statement had been updated with additional statements in relation to borrowing and investments. The report also provided an update on the treasury management activities during 2011/12.

The report on Prudential Indicators sought approval of the prudential indicators for 2012/13 to 2014/15 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 1st March 2012 as full Council was responsible for setting the overall revenue and capital budget framework. At that meeting full Council would also set the Council Tax for 2012/13.

The Chairman of the Budget & Finance Scrutiny Committee, Cllr R.J. Sloan, presented the comments of the Committee on the budget proposals. The Committee recognised the challenge that was faced in setting the budget in the context of the cuts to the Council's grant settlement. With over 200 specific savings proposals, it had not been possible to review them all – rather, the Committee had focussed on some specific areas. Detailed comments were set out in the Appendix to the Revenue Budget report. The Committee had not made any specific comments on the issue of Council Tax, but recognised the difficult position facing the Council.

The Main Opposition Group Leader Cllr A.J. Eade was invited to comment on the Cabinet's budget proposals. Cllr Eade welcomed the retention of free parking in most areas of the Borough and the proposed investment in the Ironbridge Gorge Stability Project. However, he had considerable concerns at the scaling back of the Southwater Development and the impact this could have on jobs and the local economy. He also raised concerns in relation to proposed savings in the meals on wheels service and for domiciliary care packages. He also questioned the proposed closure of the Newport Community Recycling Centre; in the light of a likely increase in demand for this facility as a result of proposals for more housing and retail developments in Newport, it demonstrated a lack of "joined-up" thinking. In relation to the Council Tax options that had been consulted on, Councillor Eade asserted that the consultation survey was flawed in that not all the options had been presented to local people, and that it had not asked the question as to whether respondents were in receipt of council tax benefit.

Councillor W.L. Tomlinson, Liberal Democrat/Independent Group Leader, was then invited to comment on the budget proposals. He highlighted the unfairness of swingeing cuts being imposed by Government on an efficient, low tax Council – as well as the impact of the withholding of grant through the damping mechanism, and the underfunding of schools in the Borough. He welcomed much of the content of the service and financial planning reports, particularly the more prudent approach to capital investment in regeneration projects.

During the ensuing robust debate, Cabinet Members defended their revised proposals for the Southwater re-development, which would not harm the town centre nor the International Centre. The public had clearly indicated at last year's Borough Elections that they did not want a new Civic Offices building as part of that re-development. In terms of proposed savings to domiciliary care packages, Councillor E.A. Clare, Cabinet Member for Adult Social Care, stated that this represented only £50k out of a budget of over £8m, but that the over-riding priority was to ensure that vulnerable people were looked after in the best and most appropriate way. In response to the concerns raised by Councillor Eade about the consultation on the Council Tax options, Cabinet Members stressed the high levels of support for a council tax rise across all wards of the Borough, and expressed disappointment at the comments made about recipients of Council tax benefit.

RESOLVED – to RECOMMEND to COUNCIL on 1st March 2012

(i) Overview and Revenue Budget 2012/13 – 2014/15

(a) that the base budget summarised by Service Delivery Unit in Appendix 1 of the report be approved;

(b) that an increase of 2.5% in council tax levels in 2012/13 (41 pence per week for the average property in the Borough) and a strategy of increasing council tax by 2.5% in future budgets set by the current Administration, in order to maintain financial stability and to protect the delivery of front-line services, be approved;

(c) that the reinvestment of £2.5m savings from Adult Social Care to offset service pressures being faced by Adult Social Care services in 2012/13, and the release of £0.9m from the proposed corporate inflation contingency in line with the savings proposals included at (e) below, be approved;

(d) that the feedback from the budget consultation summarised in Appendix 11 and from the Budget & Finance Scrutiny Committee in Appendix 9 be considered;

(e) that the 2012/13 net savings package of £8.899m (£9.48m gross) from non-staffing budgets and £8.158m (£9.59m gross) from staffing budgets detailed in Appendices 4, 5 and 6, and the savings proposals set out in these appendices for future years, be approved;

(f) that the planned savings targets in future years detailed in Appendices 3, 4 and 5 be approved;

(g) that the earmarking of the projected one-off funding transfer of £3m as outlined in section 4.3 of the report from the Primary Care Trust (PCT) anticipated to be received in 2011/12 to support the Adult Social Care budget on a one-off basis in 2012/13 following the transfer of significant costs relating to Continuing Health Care cases to the Council from the PCT be approved;

(h) that the earmarking of £2.145m underspends and savings delivered ahead of schedule in 2011/12 as a one-off budget contingency for use in 2012/13 be approved. This amount may be increased further should the Council underspend at the end of 2011/12 as currently projected.

(i) that the suspension of the contribution to the single status provision until 2014/15, with an ongoing reduction to this budget of £0.9m to offset the cost of the elimination of fixed point grades and to recognise the reduction in the size of the workforce following organisational restructuring, be approved;

(j) that the Education budget position set out in section 4.11 of the report be noted;

(k) that the statement of the Chief Finance Officer in paragraph 6 of the report (supported by Appendix 8 outlining the robustness of the Budget Estimates and the Adequacy of Reserves) be noted;

(l) that the policy framework for Reserves and Balances outlined in Appendix 8 be approved;

(m) that the use of £1.39m general balances to support the ongoing revenue budget in 2012/13 be approved;

(n) that the earmarking of £0.25m of the General Fund balance as a reserve to support greater flexibility in the working of leisure services be approved;

(o) that the revenue implications of the medium term capital programme for the period 2012/13 – 2014/15 set out in the Capital Programme report also on this agenda be noted;

(p) that the council's priorities as set out in section 4.5 of the report be confirmed, and that it be noted that the Council Plan will be brought to Cabinet for consideration during March 2012.

(ii) <u>Capital Programme 2012/13 – 2014/15</u>

(a) that the Capital Programme and associated capital estimates and variations for 2011/12 and 2012/13 – 2014/15, which incorporate the Capital Strategy, the Planned Building Maintenance Programme, the Asset Management Plan and the three year Highways & Transport capital investment programme, be approved.

(iii) 2012/13 Treasury Strategy and Treasury Update

(a) that the treasury management activities for the first half year be noted;

(b) that the updated Treasury Management Policy, as shown at Appendix A of the report, be approved;

(c) that the Treasury Strategy, including the Annual Investment Strategy for 2012/13, together with the associated Treasury prudential indicators and the Minimum Revenue Provision Statement, be approved.

(iv) Prudential Indicators

(a) that the prudential indicators for 2012/13 to 2014/15, as set out in the report, be approved.

RESOLVED – that authority be delegated to the Assistant Director: Development, Business & Housing to deliver the planned programme of works within the Asset Management Plan, and to the Assistant Director: Environmental & Leisure Services to deliver the Highways and Transport capital investment programme, in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet members.

CB-98 SIX MONTH PERFORMANCE REPORT

Non-Key Decision

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Managing Director, which presented an overview of performance after the first six months of 2011/12 against the Council's interim priorities.

A number of changes and developments had influenced the performance measures used by the Council to understand progress against its strategic objectives. These included the removal of the National Indicator Set, the introduction of a compulsory basket of datasets which local authorities had to submit, and a new series of Council priorities. Whilst consultation was continuing on the Council's new set of priorities, as a stop-gap a basket of pre-existing indicators had been aligned to the interim priorities. Details of the performance at 6 months against the indicators for each interim priority was appended to the report – and the Cabinet Member highlighted particular areas of improvement as well as some worsening indicators. It was clear that the impact of the economic recession and higher unemployment was having an impact on some of the indicators.

RESOLVED – that the report be noted.

CB - 99 FAMILY AND FRIENDS POLICY

Key Decision identified as **Family and Friends Policy** in the Forward Plan published on 17th January 2012.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Interim Assistant Director: Children's Safeguarding, which sought endorsement of a policy relating to the care of children by family and friends where birth parents were unable to provide care temporarily or in the longer term. A copy of the Policy was appended to the report.

The Policy had been produced in response to new guidance issued by the Department for Education, and brought together in one place existing Council policies and procedures. The Policy recognised that in most situations, children were best cared for by family and friends, and that often this was an informal arrangement in which the local authority had no role. However, some families and friends carers might need some additional advice and support, and the Policy described those arrangements which the Council had a statutory duty to assess and support. This included private fostering arrangements.

The Policy also covered those situations where the child becomes looked after by the local authority, and the actions which the Council would take to determine whether the family and friends carers were able to care for the child under a fostering arrangement. The policy also included details of other legal arrangements which a court of law could make to determine where a child lives, eg: adoption, residence orders and Special Guardianship orders.

RESOLVED –

(a) that the Family and Friends Policy, as appended to the report, be endorsed;

(b) that it be noted that the Policy will be launched from 1 April 2012 to enable appropriate training for staff.

CB-100 WASTE MANAGEMENT PROCUREMENT OPTIONS APPRAISAL

Key Decision identified as **Waste Management Procurement Options Appraisal** in the Forward Plan published on 14th December 2011.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, and Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the lead Corporate Director for Environmental Services, which sought approval on the future waste management service options prior to the Council entering into formal procurement.

Waste management collection, disposal and treatment contracts were due for renewal from 2014. Based on analysis of waste composition and targets, population growth, emerging legislative considerations, and the results of community engagement on the future waste service, an Outline Service Framework had been scoped prior to formal procurement. A copy of the Framework was appended to the report. This framework set out the 'packages' of service elements which were likely to be procured through a single procurement exercise to maximise best value opportunities. In relation to legislative requirements and national/EU targets for diverting biodegradable waste from landfill, it was estimated that if further measures were not taken to reduce such waste going to landfill, it could cost the Council an additional £698,000 per year in landfill tax.

The options appraisal had demonstrated that a waste bulking/transfer station within or adjacent to the Borough would probably be necessary, and the report detailed three options for bringing such a facility into operation through a future contract.

To test the likely market response to the options and Outline Service Framework, it was proposed to hold a market sounding event with potential bidders.

During the ensuing discussion, the Opposition Group Leaders commented on the apparent lack of an option for a Council-run waste bulking/transfer station (as such a facility could bring in income), and the timescale for the procurement process. The Cabinet Member: Environment, Co-operative Council & Partnerships advised that this was very much the start of a process, and nothing had been ruled in or out at this stage. A further report would be brought to Cabinet by May 2012 to commence formal procurement.

RESOLVED –

(a) that the Outline Services Framework, as shown at Appendix 2 of the report, to support the procurement process be approved;

(b) that a market sounding event be held to inform the procurement process;

(c) that the recommendations within this report be used to update the Municipal Waste Strategy 2005 – 2021;

(d) that a further report be brought to Cabinet by May 2012 to commence formal procurement.

CB-101 SCHOOL ORGANISATION – JIGSAW SCHOOL

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 17th January 2011.

Councillor P.R. Watling, Cabinet Member: Children, Families & Young People, presented the joint report of the Assistant Director: Family & Cohesion Services and the Assistant Director: Education, Culture & Skills, which set out the proposals for the potential reconfiguration of education provision at the Jigsaw School site in Hadley following a recent review of the current service delivery arrangements.

Jigsaw was part of the Hadley Learning Community, and provided a school unit for 30 pupils in key stages 3 and 4 with significant and complex behavioural, emotional and social difficulties (BESD), with four purpose built 4 bed children's homes adjacent to the school. Current special needs educational provision, including Jigsaw, did not meet present needs, leading to a number of high cost external placements. An analysis of need had concluded that the biggest individual cohort of children and young people were those who fell into the Autistic Spectrum Disorders (ASD) and BESD category – 41 in 2011/12. It was therefore proposed in the longer term to create an ASD/BESD specialist school provision at Jigsaw School. However, to allow time for the new arrangements to be implemented at Jigsaw, it was proposed that the existing school be annexed to the Hadley Learning Community (HLC) with leadership being provided by a Vice Principal Jigsaw working to the Principal at HLC with effect from September 2012. Preliminary discussions had taken place with the school and it was anticipated that these arrangements would be confirmed during the consultation phase.

The contract with the current providers of education at Jigsaw School was due to end in July 2012, and benchmarking work suggested the contract no longer represented value for money. Therefore, as part of the transitional arrangements, staff at Jigsaw would TUPE transfer to HLC with effect from 1st September 2012.

Options were also being considered for using the 4 houses on the Jigsaw site, which would be subject of a separate report following further consultation and taking into account the needs and wishes of the current residents. The report before Members also set out the proposed consultation (including a 6 week statutory consultation) work that would be undertaken with service users, partners and stakeholders.

<u>RESOLVED</u> –

(a) that, subject to being able to appropriately re-commission accommodation provision currently provided at Jigsaw, a period of consultation, as outlined in the report, for establishing a specialist ASD school be approved;

(b) that the proposal for the school to be initially managed and governed by Hadley Learning Community be endorsed;

(c) that the results of the consultation be brought back to a future Cabinet for further consideration of a final option for Jigsaw School, including the four purpose-built 4 bed children's homes adjacent to the school.

CB-102 DAWLEY TOWN HALL – INVESTMENT FOR COMMUNITY USE

Non-Key Decision

Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnerships, presented the report of the Assistant Director: Development, Business & Housing, which set out the proposals for working with partners and the community to return Dawley Town Hall to community use.

Community consultation had indicated that the building could be used for a variety of community activities including family and adult learning, toddler groups, dance and drama classes/performances, and for hire for celebration and social events. A steering group was progressing these ideas, with a view to creating a unique facility for the people of Dawley.

Various management models had been considered, and the preferred option for local stakeholders was for the building to be leased to a partnership group that was external to the Council. This 'Community Trust' model would enable access to a wider range of funding opportunities to refurbish the Town Hall, and provide a more sustainable future for the facility. Dawley Regeneration Partnership had agreed to manage the project in the interim until the Community Trust was fully operational. Great Dawley Parish Council and Capgemini had each pledged £10,000 towards the delivery of the project.

A number of options for refurbishing the building had been drawn-up, and it was proposed to submit an application to the Big Lottery (through the Dawley Regeneration Partnership) for a contribution towards the costs of the refurbishment and other capital costs. Through existing budgets, the Council had identified a contribution of £120,000 that could be used as match funding for the Lottery bid.

Members welcomed the work being undertaken to bring Dawley Town Hall back into community use, which represented a good example of Co-operative working with local people and organisations.

RESOLVED -

(a) **that the Council continues to work with the Dawley Town Hall Steering Group, Dawley Regeneration Partnership, partners and the community to return Dawley Town Hall to community use, including support to secure additional funding and to establish the Dawley Town Hall Community Trust (under the umbrella of Dawley Regeneration Partnership) to manage the building in the future;**

(b) **that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Environment, Co-operative Council & Partnerships, to negotiate and agree terms of an appropriate lease**

for Dawley Town Hall with the Dawley Regeneration Partnership or Dawley Town Hall Community Trust;

(c) that the funding identified in section 4 of the report to contribute to the refurbishment costs to bring the building into community use be approved;

(d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute any documents necessary to give effect to the above recommendations.

CB-103 CO-OPERATIVE APPROACH TO WORKING WITH THE COMMUNITY

Non-Key Decision

Councillor S. Davies, Cabinet Member: Environment, Co-operative Council & Partnership, presented the report of the Managing Director which updated Members on progress on a number of initiatives in developing a co-operative approach to community working.

A key role of the Priority Action Team was to co-ordinate relationships between local services, communities, Town & Parish Councils and the voluntary sector. Members of the Team had been located at community centres in Woodside, Brookside and Donnington, with the Priority Action Co-ordinators able to work from a variety of community bases across the Borough. The report detailed work being carried out in Brookside, the Council's co-operative pilot ward. This included a lifelong learning plan to address inequalities in education, training and skills, and the delivery of this Plan would be key to supporting wider regeneration proposals for Brookside. In Donnington, support had been provided to the Donnington Partnership in helping them become a registered charity and developing the Community Café into a social enterprise.

In order to encourage more community involvement within the existing Council-run community centres, the management of these centres would transfer to the Community Engagement, Equalities & Action Team from 1 April 2012.

The report also detailed the delivery of the 'Your Money Your Projects' scheme, which allocated £1,000 to each ward member to use on local projects/schemes. Proposals had been received from the majority of ward members and the final funding agreements were currently being sent out, and payments being made. In some wards, Town & Parish Councils had also made a financial contribution towards the projects. Feedback had been received that the scheme would work more effectively if members had more flexibility around when the funding could be allocated. It was therefore proposed that the scheme be developed for 2012/13 into a 'Ward Co-operative Fund' – the criteria for which was detailed in the report.

RESOLVED -

(a) **that the information relating to revised working arrangements for the Priority Action Team, Strategic Lead for the Voluntary Sector and future management of the Council's community centres be noted;**

(b) **that a Ward Co-operative Fund be developed in 2012/13 in consultation with the Cabinet Member: Environment, Co-operative Council & Partnerships;**

(c) **that authority be delegated to the Community Engagement, Equalities and Action Manager, in consultation with the relevant ward member, to approve and implement applications for funding from the Ward Co-operative Fund.**

CB-104 EXCLUSION OF PRESS AND PUBLIC

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

CB - 105 SUTTON HILL LOCAL CENTRE – LAND DISPOSAL

Key Decision identified as **Sutton Hill Local Centre – Land Disposal Arrangements** in the Forward Plan published on 14th December 2011.

Councillor C. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing, which sought approval to market and dispose of the small housing development sites that had been created as a result of the re-development scheme for Sutton Hill Local Centre.

As part of the re-development, 32 housing units were acquired and demolished to enable the completion of new infrastructure and retail facilities, and to create sites for new, high-quality housing. The report detailed the sites for disposal and the likely valuations attached to them, based on District Valuation Office estimates and local factors. Market testing was now being undertaken to gauge the likely interest from the private sector, but that if no interest was forthcoming, the report detailed a preferred option for the disposal of the sites. The report outlined the financial implications of the proposals and the likely receipts to the Council, bearing in mind that the funding agreement for Sutton Hill stated that the net receipt would be split 50% for the Council and 50% for the Homes & Communities Agency.

RESOLVED –

(a) **that the disposal of the sites detailed in the report (subject to formal market testing) be approved, in order to secure the timely**

regeneration of Sutton Hill Local Centre with high quality new housing;

(b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to carry out all steps necessary to facilitate disposal of the sites and negotiate and finalise the terms of the transactions required;

(c) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute all legal documentation and take all steps necessary to give effect to the recommendations in this report.

The meeting ended at 6.50 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Head of Governance
Date: 29 February 2012

Signed: ………………………………..

Date: …………………………………