

# Public Document Pack



Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

## Borough of Telford and Wrekin

### Cabinet

Thursday 5 January 2023

10.00 am

The Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3  
4NT

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<b>Democratic Services:</b>	<b>Jayne Clarke / Stacey Worthington</b>	<b>01952 383205 / 384382</b>
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#### Cabinet Members:

Councillor S Davies	Leader of the Council
Councillor R A Overton	Deputy Leader and Cabinet Member: Housing, Enforcement and Transport
Councillor A J Burford	Cabinet Member: Adult Social Care and Health, Integration and Transformation
Councillor E M Callear	Cabinet Member: Visitor Economy, Employment and Skills
Councillor L D Carter	Cabinet Member: Neighbourhood Services, Regeneration and the High Street
Councillor R C Evans	Cabinet Member: Finance, Governance and Customer Services
Councillor C Healy	Cabinet Member: Climate Change, Green Spaces, Natural and Historic Environment and Cultural Services
Councillor K Middleton	Cabinet Member: Leisure, Public Health and Well-Being, Equalities and Partnerships

Councillor S A W Reynolds    Cabinet Member: Children, Young People, and Families

Councillor P Watling            Cabinet Member: Stronger and Safer Communities

### **Invitees**

Councillor A J Eade              Conservative

Councillor W L Tomlinson      Liberal Democrat

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<b>5.0</b>	<b>2022/23 Financial Monitoring Report</b> <b>Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services</b> To receive the latest financial monitoring information for the year relating to: the revenue budget, capital programme and income collection.	<b>7 - 32</b>
<b>6.0</b>	<b>Medium Term Financial Strategy 2023/24 – 2026/27</b> <b>Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services</b> To receive the updated Medium Term Financial Strategy.	<b>To Follow</b>
<b>7.0</b>	<b>Affordable Warmth Strategy - Action Plan Update</b> <b>Cllr Richard Overton - Deputy Leader and Cabinet Member: Housing, Enforcement and Transport</b> To receive the updated action plan.	<b>33 - 46</b>
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## CABINET

**Minutes of a meeting of the Cabinet held on Thursday 15 December 2022 at 10.00 am in The Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**PUBLISHED ON WEDNESDAY 21 DECEMBER 2022**

**(DEADLINE FOR CALL-IN: THURSDAY, 29 DECEMBER 2022)**

**Present:** Councillors S Davies (Chair), R A Overton (Vice-Chair), E M Callear, L D Carter, R C Evans, K Middleton, S A W Reynolds and P Watling.

**Also Present:** Cllr A J Eade (Conservative Group Leader) and Cllr W L Tomlinson (Liberal Democrats Group Leader)

**Apologies:** Councillor A J Burford and C Healy

**CAB-      Declarations of Interest**  
**195**

Councillor K Middleton declared a non- prejudicial interest in CAB-201 (Homelessness and Rough Sleeping Strategy) as she worked within the area.

**CAB-      Minutes of the Previous Meeting**  
**196**

**RESOLVED-** that the minutes of the meeting held on 3 November 2022 be confirmed and signed by the Chair.

**CAB-      Leader's Announcements**  
**197**

The Leader advised this was the last Cabinet meeting of 2022 and wished everyone a Merry Christmas.

**CAB-      Ironbridge Gorge World Heritage Site – Supplementary**  
**198      Planning Document (Consultation Version)**

The Deputy Leader and Cabinet Member: Housing, Enforcement & Transport presented the report of the Director: Housing, Employment & Infrastructure. The report sought approval to proceed to consultation on the draft Ironbridge Gorge World Heritage Site Supplementary Planning Document (SPD).

The SPD would provide guidance for protecting and enhancing the World Heritage Site (WHS). It was noted that the WHS had a significant number of heritage assets, including 375 listed buildings and 7 scheduled ancient monuments. The WHS attracted around 1 million visitors annually and generated an estimated £43m for the Borough's economy.

The SPD would support residents, businesses and organisations with planning applications that are within the boundaries, or impact on the setting, of the WHS.

Cabinet Members welcomed the proposals and noted the contribution the WHS brought to the Borough. Cabinet Members discussed joint working with Shropshire Council on the policy.

**RESOLVED – that:**

- a) **The consultation version of the Ironbridge Gorge World Heritage Site Supplementary Planning Document be approved;**
- b) **Authority be delegated to the Director: Housing, Employment & Infrastructure (and any other officer authorised in writing by this postholder) to consult.**

**CAB-199      Declaration of Further Green Guarantee Sites**

The Deputy Leader and Cabinet Member: Housing, Enforcement & Transport presented the report of the Director: Prosperity & Investment. The report sought approval to extend the Council's existing Green Guarantee protection to an additional 107 sites within the Borough.

It was noted that Telford's green network covered approximately 2500ha, with around 557ha of this being existing Green Guarantee sites. The sites must have met a specific set of criteria in order to be eligible to become a Green Guarantee site.

Cabinet Members discussed how important green spaces were to people's mental and physical health. Members discussed that many of the spaces identified were not large recreation spaces, but smaller pockets, often where children would play football.

**RESOLVED that:**

- a) **The declaration of 107 new Green Guarantee Sites be approved;**
- b) **Authority be delegated to the Director: Prosperity & Investment and Director: Policy & Governance, in consultation with the Cabinet Member: Climate Change, Green Spaces, Natural and Historic Environment & Cultural Services to complete the declaration process.**

**CAB-200      Indoor Sports and Leisure Strategy 2022-2032**

The Cabinet member: Leisure, Public Health and Well-Being, Equalities & Partnerships presented the report of the Director: Communities, Customer &

Commercial Services. The report presented the new Indoor Sports & Leisure Strategy.

The previous framework was 15 years old and the facilities offered by the Council since publication had significantly improved. The new strategy would ensure that the provision was able to meet current and future demand, contribute to Council priorities and further increase community physical activity levels.

Consultation with stakeholders had taken place to identify local priorities and priority groups and a resident's survey had been undertaken.

Cabinet Members noted that the administration had chosen not to outsource leisure facilities like many other Council's had and the result was the fantastic offer across the whole Borough. Cabinet Members discussed the public health benefits of leisure facilities.

**RESOLVED that:**

- a) **The Telford & Wrekin Indoor Sports & Leisure Strategy (2022-2032) be endorsed;**
- b) **Authority be delegated to the Director: Communities, Customer & Commercial Services, in consultation with the Lead Cabinet Member: Leisure, Public Health and Well-being, Equalities & Partnerships to progress the actions set out in paragraph 4.2 of the report.**

**CAB- Homelessness and Rough Sleeping Strategy  
201**

The Cabinet Member: Stronger and Safer Communities presented the report of the Director: Housing, Employment & Infrastructure. The report sought approval of the new Homelessness and Rough Sleeping Strategy for the Borough.

It was noted that the Council was required to produce a homelessness strategy and the previous strategy was due to expire in 2022. The strategy had been produced in conjunction with key partner agencies including the voluntary sector.

The strategy set out four overarching priorities which ran throughout the whole strategy. These priority areas were:

- Prevention through early intervention
- Accommodation to support and empower
- Addressing rough sleeping
- Collaboration – delivery services that are responsive, targeted and maximise impact

Cabinet members welcomed the report and thanked officers and partners for their work in delivering the service. Cabinet Members discussed personal experiences of using the service and how valuable it was for service users.

In response to a question from the Conservative Group Leader, it was confirmed that funding for mental health support had been secured for a further two year period from the Midlands Partnership Foundation Trust.

**RESOLVED that:**

- a) **The adoption of the Homelessness and Rough Sleeping Strategy for the period of 2022-2027 be approved;**
- b) **Authority be delegated to the Director: Housing, Employment & Infrastructure, in consultation with the Lead Cabinet Member: Stronger & Safer Communities, to implement the actions set out in the strategy.**

The meeting ended at 10.52 am

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

Anthea Lowe  
Director: Policy & Governance  
Date: **Wednesday 21 DECEMBER 2022**

Signed .....

Date: Thursday 5 January 2023

## 2022/23 Financial Monitoring Report



“Since the budget for 2022/23 was approved a national cost of living crisis has gripped the nation.

“This brings a whole host of challenges for our residents and for the council too. We’ve seen a rapid increase in inflation, which means that it costs us much more to do the same things and more people than ever before needing our services and support.

“In particular, we’ve seen the costs of care for our most vulnerable children and adults skyrocket.

“Good financial management across the council means that we are currently predicted to end the financial year just within budget but this has remains a significant challenge and will need us to use most of the contingency budget we put aside for situations like this.

“We will maintain a laser focus on the budget as we work towards year end and setting the budget for what will be a challenging year ahead.”

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# Borough of Telford and Wrekin

## Cabinet

5 January 2023

### 2022/23 Financial Monitoring Report

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<b>Cabinet Member:</b>	Cllr Rae Evans - Cabinet Member: Finance, Governance and Customer Services
<b>Lead Director:</b>	Ken Clarke - Director: Finance & Human Resources
<b>Service Area:</b>	Finance & Human Resources
<b>Report Author:</b>	Pauline Harris - Finance Manager: Corporate Finance
<b>Officer Contact Details:</b>	<b>Tel:</b> 01952 383701 <b>Email:</b> pauline.harris@telford.gov.uk
<b>Wards Affected:</b>	All Wards
<b>Key Decision:</b>	Key Decision
<b>Forward Plan:</b>	Yes - 7 December 2022
<b>Report considered by:</b>	SMT – 6 December 2022

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#### 1.0 Recommendations for Decision/Noting

It is recommended that Cabinet

- 1.1 Notes the 2022/23 revenue budget position
- 1.2 Approve the allocation of the contractual inflation contingency detailed at Section 5.4.2
- 1.3 Recommends that Full Council approve the transfer of £6m to a budget strategy reserve, detailed in Section 5.4.4, which will be used to support the Medium Term Financial Strategy (including the current year if required); and that Full Council approve the use of £0.180m Special fund balances for additional lighting works to be undertaken in the Special fund areas.
- 1.4 Notes the position in relation to capital spend
- 1.5 Recommends that Full Council approve the changes to the capital programme detailed in Appendix C
- 1.6 Notes the collection rates for NNDR, council tax and sales ledger

## **2.0 Purpose of Report**

- 2.1 To provide Members with the latest financial monitoring position for the year relating to: the revenue budget, capital programme and income collection.

## **3.0 Background**

- 3.1 The Medium Term Financial Strategy (MTFS) 2022/23 - 2025/26 was approved at Full Council on 3 March 2022, which included the 2022/23 revenue budget and medium term capital programme. Since the MTFS was approved, the economic climate has radically changed with a rapid increase in the rate of inflation, increases in interest rates and increasing demand for many services partly fuelled by the cost of living crisis facing our residents. These factors combined with the increase in the national debt resulting from recent Government policy decisions combine to make the financial outlook facing the Council more uncertain than ever before.
- 3.2 Good financial management is an essential element of good governance and long-term service planning which are critical to ensuring that local service provision is sustainable and the use of resources is maximised in order to meet the needs of our residents.
- 3.3 Financial management is the responsibility of budget holders and is supported by Finance staff using a risk based approach: more focus is given to higher risk areas (high value/more volatile); less frequent financial monitoring is undertaken on budgets deemed to be medium to lower risk. Financial monitoring provides Cabinet and Senior Management Team with a focussed view on the Council's financial performance, to inform and support decision making and to ensure financial sustainability.
- 3.4 Many councils are reporting significant pressures in their financial monitoring reports arising from cost of living of pressures. Telford & Wrekin Council is also facing significant budget challenges arising from increasing costs and increasing demand for services. This Financial Monitoring Report for 2022/23 provides the latest projections in relation to the projected outturn position i.e. how projected net revenue spend compares to the budget set for the year; progress against the 2022/23 capital programme; the key issues to be highlighted; together with a summary of collection information in relation to Council Tax, Business Rates and Sales Ledger income.
- 3.5 The funding outlook for the medium term remains very uncertain but will clearly continue to be challenging, particularly in light of the current inflationary pressures and cost-of-living crisis.
- 3.6 The Medium Term Financial Strategy is a separate report on the Cabinet agenda and provides more detail on the medium term position.

#### 4.0 Summary of main proposals

4.1 Nationally Councils are facing extreme financial challenges in 2022/23 as soaring inflation has significantly increased the cost of providing services and at the same time the cost-of-living crisis has increased public demand for some services. The Local Government Association has stated

*“The sharp spike in inflation and energy prices is an unprecedented crisis which could not have been predicted by either central or local government when the Government finalised the local government finance settlement earlier this year and councils set their budgets in March.”*

Telford & Wrekin Council is not immune to these pressures and with CPI inflation currently at 11.1% there are impacts on costs across all services, including energy bills, care provider costs and transport costs, which were unknown when the budget was set. Further, some impacts of Covid have continued into 2022/23, such as in Children’s Services, however unlike previous years there is no additional government funding to meet these costs.

Before application of contingencies included in the overall revenue budget, the projected outturn position is currently expected to be over budget by £4.598m at year end, an increase of £1.337m since the last report. This will require the majority of the budgeted contingencies to be used to fund the in-year position. The Council has an excellent track record of strong financial management and Cabinet Members and budget holders will continue their work to manage budgets as effectively as possible and are actively implementing actions to address the in-year financial pressures. The eventual outturn could be better or worse as spend is updated and projections are refined in the final quarter of the year.

A summary of the current projection for the year end position is:-

	£m
Net Revenue Budget	134.953
Projected Net Revenue Outturn	139.551
<b>Projected Variance</b>	<b>4.598</b>
Use of General Contingencies	4.598

In total, after funding the projected overspend, the Council would be left with just £36k of contingency by year end.

There are clearly a number of variations from the approved budget. Projections will continue to be refined and updated during the remainder of the year; the key variances are shown below:

Children’s Safeguarding & Family Support – projected pressure; Increased demand; Children in Care Placement costs, such as escalating needs of children and young people open to services and a couple of young people with	+£6.315m
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complex needs coming into residential care; increased staffing costs.	
Adult Social Care – cost of providing care packages, including long-term care and short-term reablement	+£4.024m
Education & Skills – projected pressure relating to pre and post 16 Transport costs, driven by a sharp increase in operating costs due to inflationary pressures.	+£0.880m
Treasury Management - re-profiled capital programme and use of some temporary borrowing at lower than budgeted interest rates	-£3.550m
Additional Funding and One off Resources	-£1.983m

#### 4.2 Capital

The capital programme totals £87m for 2022/23 which includes all approvals since the budget was set. Schemes are in progress and at the time of compiling this report projected spend was 98% of the budget allocation.

#### 4.3 Corporate Income Collection

Income collected in relation to business rates is ahead of target, while Council Tax, and Sales Ledger are currently slightly behind the targets set. Ultimately, all debt will be pursued and will continue to be collected after the end of the financial year with all appropriate recovery avenues being pursued.

### 5.0 Additional Information

5.1 The overall 2022/23 budget position is summarised in the table below:

Service Area	Net Revenue Budget £'000	Variation 13/10/2022 Cabinet £'000	Movement £'000	Total Current Variation £'000
Prosperity & Investment	(6,041)	503	33	536
Finance & HR	13,847	(3,778)	(212)	(3,990)
Policy & Governance	969	0	0	0
Children's Safeguarding & Family Support	39,144	5,376	939	6,315
Education & Skills	13,927	1,113	(54)	1,059
Adult Social Care	53,359	2,304	1,720	4,024
Health, Wellbeing & Commissioning	2,199	58	(45)	13
Neighbourhood & Enforcement Services	32,905	(655)	(146)	(801)
Communities, Customer & Commercial Services	4,637	(63)	(70)	(133)
Housing, Employment & Infrastructure	2,110	(2)	(27)	(29)
Corporate Communications	0	(26)	2	(24)
Council Wide (incl. Covid Funding)	(22,103)	(1,569)	(803)	(2,372)
<b>Overall Service pressure</b>	<b>134,953</b>	<b>3,261</b>	<b>1,337</b>	<b>4,598</b>

## 5.2 The main service changes since the last report are :

Variations £m	Cabinet – 13.10.22	Current Variation	Change
<b>Children’s Safeguarding &amp; Family Support</b> key areas of change: <ul style="list-style-type: none"> <li>Increased CIC placement costs due to escalating needs of children; new residential placements and increased complexity of cases;</li> <li>Increased agency costs being incurred due to staff vacancies and the requirement to support current demand across children and family services</li> <li>Joint Adoption Service</li> </ul>	+5.376	+6.315	+0.939
<b>Adult Social Care</b> A range of increased pressures across the service, including: Care for Adults with Learning Disabilities; block contracts; short-term care reablement costs.	+2.304	+4.024	+1.720
<b>Main Changes – Total</b>	<b>+7.680</b>	<b>+10.339</b>	<b>+2.659</b>
Other variations	-4.419	-5.741	-1.322
<b>Total Variations</b>	<b>+3.261</b>	<b>+4.598</b>	<b>+1.337</b>

## 5.3 Projected variances over £0.250m are highlighted below, all other variances over £50k are detailed in Appendix B.

Service Area	Variance £m
<b><u>Prosperity &amp; Investment</u></b>	
<b>Utilities</b> – impact of inflation	+0.430
<b>Allocation</b> from corporate inflation contingency	-0.430
<b>PIP Income</b> – shortfall due to slippage of development schemes into future years	+0.825
<b>PIP</b> – contribution from reserves	-0.596
<b>Reserves</b> – use of one off reserves and bad debt provision	-0.400
<b><u>Children’s Safeguarding &amp; Family Support</u></b>	
<b>Children In Care Placements</b> – pressure on residential placement costs. This is a combination of escalating needs of some children and young people; new children entering residential placements and high costs associated with some placements offset by benefits from some young people being stepped down from residential placements.	+5.228
<b>Joint Adoption Service</b> – arising from children place with adopters from external agencies.	+0.329

<b>Health Funding</b> – anticipated health contributions in relation to health needs as a result of increased engagement with health colleagues.	-1.200
<b>Staffing</b> – a combination of vacancies and services pressures has resulted in agency costs being incurred	+1.405
<b>Contribution from Reserves</b>	-0.298
<b><u>Adult Social Care</u></b>	
<b>Long Term Care Purchasing</b> – projected expenditure relating to block and spot contracts in excess of budgets	+5.907
<b>Joint Funding</b> Contributions towards care packages	-1.500
<b>Reablement</b> – there is a cost pressure of £6.9m on this budget. The ICB have agreed funding of around £5.5m to date with further discussions needed for the remaining £1.4m. There is a risk that part of this pressure could fall to the council to find, however this not be the case and therefore is not projected as a pressure for the Council in this report.	
<b><u>Education &amp; Skills</u></b>	
<b>Home to School Transport / Post 16 Transport</b> – pressures continuing from last year driven by a sharp increase in operating costs in September 2021 and further contractual inflation pressures from renewed taxi contracts in September 2022. A number of initiatives are underway to address the issue including reviewing different transport options, providing minibus transport rather than taxis, reviewing routes and retendering. This variation is after allocating £0.300m from the corporate inflation contingency.	+0.880
<b><u>Communities, Customer &amp; Commercial Services</u></b>	
<b>Housing Benefit Subsidy</b> – a combination of reduced recovery of overpayments, B&B spend where no subsidy can be claimed and a reduction in the level of overall income owed.	+0.613
ICT – mainly capitalisation of Microsoft licenses	-0.347
<b><u>Neighbourhood Services</u></b>	
<b>Waste &amp; Neighbourhood Services</b> – underspends mainly due to reduced food tonnages and reduced residual waste tonnages.	-0.596
Optimisation of grant income	-0.300
<b><u>Finance &amp; Human Resources</u></b>	

<b>Treasury</b> – projected benefit from re-profiled capital programme and use of some temporary borrowing at lower than budgeted interest rates. This projection will continue to be updated.	-3.725
<b><u>Council Wide</u></b>	
Additional Funding/one off resources	-1.983
Cessation of Health & Social Care Levy	-0.300

#### 5.4 CONTINGENCIES, RESERVES & BALANCES

5.4.1 The 2022/23 budget includes contingencies of £3.950m. This is set aside to meet any unforeseen expenditure or income shortfalls during the year. The current projected position would require use of all of this contingency (see table in 4.1 above)

5.4.2 There is also a contingency amount held centrally for contractual inflation totalling £3.484m (which includes one-off funds set aside as part of the 2021/22 outturn). Inflation pressures currently identified total £2.800m, which leaves £0.684m currently available to support pressures. This position will continue to be updated in future reports as more information becomes available.

	£m
Contractual Inflation Contingency	3.484
Previously approved (July/Oct Cabinet)	2.500
<b>Previously Unallocated Inflation Contingency</b>	<b>0.984</b>
Allocations for Approval in this report:	
Pre & Post 16 Transport (Education)	-0.300
<b>Total to be Allocated</b>	<b>0.300</b>
<b>Residual Balance Remaining</b>	<b>0.684</b>

5.4.3 An allowance to meet the 2022/23 pay award is also held centrally, totalling £3.938m (which includes one-off funds set aside at year end 2021/22). This is in the process of being allocated following the national pay agreement.

- 5.4.4 A detailed review of reserves and balances have been undertaken which has freed up £6m that could be used to support the Medium Term Financial Strategy (or in year position if required).

Description of Reserves	£m
Corporate Capacity / Invest to Save Fund - review of historic commitments	1.922
Reserves where Spend can be capitalised	1.483
Grants - purpose fulfilled therefore reserve no longer required	0.761
Insurance - Self Insurance Fund - review of balance held	0.500
Contract Reserve	0.125
Finance Staffing Reserve	0.100
Various other Service Reserves	1.109
<b>Total Released</b>	<b>6.000</b>

- 5.4.5 Significant improvements are to be undertaken to some existing lighting in the special fund area, including Hinkshay Road that provides access to Dark Lane Car Park, the town park and Telford Hornets Rugby Club. It is recommended that £0.180m funding is approved from Special Fund Balances for this purpose.

## 5.5 CAPITAL

### 5.5.1 2022/23 Capital Programme

The capital programme totals £87m, which includes the approvals proposed in this report. The financial position is shown in the table below which shows projected spend is currently at £85m (98%).

Service Area	Approved Budget	Spend	% Spend	Year End
	£m	£m		£m
Prosperity & Investment	32.85	14.38	43.75%	31.16
Policy & Governance	0.08	0.00	0.00%	0.08
Education & Skills	14.78	11.22	75.95%	14.70
Adult Social Care	1.81	0.02	0.92%	1.73
Neighbourhood & Enforcement Services	20.18	11.49	56.93%	20.18
Cities, Customer & Commercial Services	6.97	3.06	43.94%	6.97
Housing, Employment & Infrastructure	9.22	3.70	40.16%	9.20
Finance & Human Resources	0.10	0.10	100.00%	0.10
Corporate Items	1.05	0.29	27.87%	1.05
<b>Total</b>	<b>87.03</b>	<b>44.25</b>	<b>50.8%</b>	<b>85.16</b>

- 5.5.2 The 2022/23 capital programme relies on £13.2m of capital receipts as part of its funding (after adjusting for known changes). Capital receipts included in the medium



term budget strategy are under continual review and any changes will be reflected in future budget projections but are currently projected to be on target.

5.5.3 Full Council approved Prudential and Treasury Indicators on 3 March 2022. The Council has operated within the Treasury Limits and Prudential Indicators set.

## 5.6 CORPORATE INCOME MONITORING

5.6.1 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 an 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.

5.6.2 In summary, sales ledger collection is outside target, council tax is 0.85% behind target and NNDR collection is significantly above target.

<b>INCOME COLLECTION – October 2022</b>			
	<b>Actual</b>	<b>Target</b>	<b>Performance</b>
Council Tax Collection	63.13%	63.98%	0.85% behind target
NNDR Collection	67.18%	64.61%	2.57% ahead of target
Sales Ledger Outstanding Debt	6.52%	5.25%	1.27% outside target

### 5.6.3 Council Tax (£105.1m)

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 2021/22	97.26%
Year End Target for 2022/23	97.09%

Performance is cumulative during the year and expressed against the complete year's debit.

Month End Target	Month End Actual	Last year Actual
63.98%	63.13	63.33

Collection rates are 0.85% behind target for council tax. Targets have been set slightly lower than performance for 2021/22 as we anticipate the cost of living crisis will have an impact on collection rates throughout the year. The lower collection rates we are experiencing are likely to be the impact of the cost of living crisis and because the Government did not allocate funding for a council tax

reduction 'grant' for benefit recipients this year, whereas up to £150 was applied for these accounts during 2021/22.

#### 5.6.4 **NDR-Business Rates (£74.4m)**

The % of business rates for 2022/23 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 2021/22	98.41%
Year End Target for 2022/23	97.58%

Month End Target	Month End Actual	Last year Actual
64.61%	67.18%	62.75%

Collection rates are significantly above target and will remain so until the later part of the financial year. Discretionary awards (CARF) were made to businesses at the end of last financial year and the balances rolled forward to 2022/23, these businesses are benefiting from lower instalments currently.

#### 5.6.5 **Sales Ledger (£87.6m)**

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

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2022/23 are as follows:

Age of debt	Annual Target %	Oct 2022	
		£m	%
Total	5.25	5.714	6.52

Sales ledger performance is outside target. We continue to invoice and follow the recovery process on all outstanding debt with the relevant Service departments. The level of debt outstanding in ASC in particular continues to rise.

## 6.0 **Alternative Options**

6.1 Budget holders will investigate a number of options to seek to deliver required service outcomes from within budgeted resources.

## 7.0 **Key Risks**

7.1 Budget holders actively manage their budgets and the many financial risks and challenges that council services face, examples include the risk of a particularly harsh winter which would impact adversely on the winter gritting and adult social care budgets, the increasing dependency on income from a wide range of activities and the risk of interest rate movements and further inflationary pressures, the risk of changes in legislative or accounting requirements impacting on budgets etc. The Council has comprehensive risk management arrangements in place, which are reviewed and updated by the Senior Management Team.

## **8.0 Council Priorities**

8.1 Delivery of all Council priorities depends on the effective use of available resources. Regular financial monitoring in the financial management reports helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.

## **9.0 Financial Implications**

9.1 The financial impacts are detailed throughout the report.

## **10.0 Legal and HR Implications**

10.1 None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and ensure that the Council takes action if overall net overspends /shortfalls emerge.

## **11.0 Ward Implications**

11.1 There are no impacts on specific wards

## **12.0 Health, Social and Economic Implications**

12.1 There are no Health, Social and Economic Implications directly arising from this report.

## **13.0 Equality and Diversity Implications**

13.1 There are no Equality & Diversity implications directly arising from this report.

## **14.0 Climate Change and Environmental Implications**

14.1 There are no Climate Change and Environmental Implications directly arising from this report.

## **15.0 Background Papers**

1	Medium Term Financial Strategy 2022/23 – 2025/26	Council 03/03/2022
2	Service & Financial Planning Report – 2021/22 Outturn	Cabinet 23/06/2022 Council 14/07/2022
3	2022/23 Financial Monitoring Report	Cabinet 14/07/2022

## 16.0 Appendices

Appendix A	Summary of 2022/23 Projected Variations
Appendix B	2022/23 Revenue Variations over £50,000
Appendix C	Capital Approvals by Service Area

## 17.0 Report Sign Off

<b>Signed off by</b>	<b>Date sent</b>	<b>Date signed off</b>	<b>Initials</b>
Director	30/11/2022	30/11/2022	KC
Finance	30/11/2022	30/11/2022	PH
Legal	30/11/2022	01/12/2022	RP

## Summary of 2022/23 Projected Variations

Service Area	Net Revenue Budget	Variation 13/10/2022 Cabinet	Movement	Total Current Variation
	£	£	£	£
Prosperity & Investment	(6,040,690)	502,806	33,008	535,814
Finance & HR	13,847,124	(3,778,345)	(211,779)	(3,990,124)
Policy & Governance	968,831	0	0	0
Children's Safeguarding & Family Support	39,144,277	5,376,332	938,880	6,315,212
Education & Skills	13,927,333	1,112,650	(54,110)	1,058,540
Adult Social Care	53,358,836	2,304,390	1,719,162	4,023,552
Health & Wellbeing	2,199,131	58,004	(45,417)	12,587
Neighbourhood & Enforcement Services	32,905,327	(654,639)	(146,500)	(801,138)
Communities, Customer & Commercial Services	4,636,746	(63,472)	(69,529)	(133,000)
Housing, Employment & Infrastructure	2,110,251	(2,479)	(26,825)	(29,304)
Corporate Communications	0	(25,525)	2,366	(23,159)
Council Wide	(22,104,416)	(1,568,684)	(802,075)	(2,370,759)
<b>Total Net Revenue Budget</b>	<b>134,952,750</b>	<b>3,261,038</b>	<b>1,337,182</b>	<b>4,598,220</b>

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
<b>Prosperity &amp; Investment</b>				
BiT	Operational , Admin & other property costs	7,452,110	154,245	Various pressures across a number of proprieties including corporate assets to be sold.
	Utility inflation costs		430,000	Impact of inflation and changes to standard charge bandings across Operational and Admin Buildings as confirmed by WME.
	Funded from Corporate contingency		(430,000)	Funding from Corporate Inflation contingency
Housing Investment Programme	Income	(133,500)	110,300	DMA income - slippage of schemes
R&I	PIP Income	(8,890,090)	824,800	PIP income shortfall due to voids.
	MSCP Income	(406,180)	138,085	Southwater car park reduced income due to a reduced return of footfall to the centre.
	Contribution from reserves	-	(596,000)	PIP reserves drawn down to offset above pressures
Development Management	Employee costs	3,232,980	(71,000)	One off vacancy management of service area including holding some vacant posts open.
	Legal costs	5,830	60,000	Planning appeal legal costs associated with 2 solar farm applications, after applying one off reserves.
	Approved provider Income	(583,290)	226,728	Realignment of income against resources available.
	One off Reserves	-	(400,144)	Use of one off reserves and Corporate Bad debt provision.
	Variations under £50,000	(6,718,550)	88,800	
<b>Total Prosperity &amp; Investment</b>		<b>(6,040,690)</b>	<b>535,814</b>	

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
<b>Finance &amp; HR</b>				
Treasury		1,166,573,690	(3,725,000)	Benefit arising from re-profiled capital programme and use of some temporary borrowing at lower than budgeted interest rates.
	Variations under £50,000	(1,152,726,566)	(265,124)	Vacant posts plus PFI additional inflation above levels assumed in October 2021 at budget setting
	Supplies & Services	-	-	Drawdown of inflation from central inflation contingency
<b>Total Finance &amp; HR</b>		<b>13,847,124</b>	<b>(3,990,124)</b>	
<b>Policy &amp; Governance</b>				
	Use of Reserves	0	(41,000)	Use of one off reserves
	Variations under £50,000	968,831	41,000	
<b>Total Policy &amp; Governance</b>		<b>968,831</b>	<b>0</b>	
<b>Children's Safeguarding &amp; Family Support</b>				
CIC Placements		17,556,758	5,228,309	The very significant variation compared to the placement costs budget is predominantly driven by residential placements. In particular, in the first few months of this financial year there were a number of new residential placements, a number arising from placement breakdowns, combined with some large increases in existing placement costs driven by increasing challenges and complexity presented by young people requiring specialist residential care. The scale of this upward pressure has eased over the summer and step-down plans are being pursued for a large proportion of the children in residential placements. In addition some of the pressure in this area is offset by an increased contribution from the NHS towards elements of the placements costs where the young people are presenting with health needs (see 'Health funding' line below). Future budget requirements are being analysed through a placements model which forms the basis of budget setting. The model is kept under review in the context of the current and projected situation.

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Post 18 Staying Put & Leaving Care Support		542,610	219,368	These costs are made up of Leaving Care, Shared Lives and Staying Put placements for young people who have previously been in care who have since turned 18. Whilst recognising that our corporate parenting responsibilities and need to support remain for young people up to the age of 25, these costs they have contributed to pressure on this budget area.
Staffing - salaries		14,907,803	(412,370)	There are a number of vacancies across the service, resulting in this forecast underspend, although this and service pressure are leading to an increasing need to employ agency staff, with a higher average cost compared to directly employed staff. In some cases, vacancies are now assumed to be in place until the end of the financial year, with a consequent reduction in forecast expenditure on this line, but an increase in forecast agency costs (see below).
Staffing - Agency Costs		160,400	1,817,696	As noted above a combination of vacancies and service pressures has resulted in significant agency costs being incurred. In addition to individual agency workers, two agency teams have been procured, in order to provide the capacity needed to meet the current level of resource requirements and to enable statutory safeguarding requirements to be delivered. Capacity and recruitment issues mean that the costs of these teams are now projected until the end of the financial year, with a subsequent impact upon the projected outturn
Staffing - Family Safeguarding Model		-	207,647	Grant funding will contribute to the costs of the family safeguarding initiative (see income from grant and reserves below).
Grant funding drawn down for Family Safeguarding Project		(119,820)	(148,300)	
Reserves drawn down for Family Safeguarding Project		(30,692)	(41,625)	
Contribution from Reserves		(664,131)	(298,458)	Includes additional funds drawn down for emergency duties team



<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Children with Disabilities		1,198,758	121,792	This area is under financial pressure, in part because of recent cost increases from providers of support. A number of initiatives are underway to ensure that cost effective and appropriate support is provided to families of children with disabilities. A Direct Payments Officer has also been appointed and a robust review of current payment levels and the level of balances in fair share accounts is being undertaken to ensure that the personal budgets provided to families are at an appropriate level.
Children in Care Adoption Allowances		291,550	(59,239)	Current projection for allowance payments is lower than budget available.
Joint Adoption Service (JAS)		774,637	329,417	The significant increase in forecast costs arises from a number of children being placed with adopters from external agencies, rather than within the regional adoption agency ('Together for Children' or T4C) that T&W is now part of. Such external placements come with a substantial one-off cost (in the region of £50K for some placements). In addition there is an ongoing budget pressure in JAS arising from a staffing increase some years ago that was intended to be offset by increased adoption allowance income, but this hasn't increased to a sufficient degree to offset the cost increase. In recent years, this has been mitigated by savings from staffing vacancies during the year.
Health Funding		(400,000)	(1,200,000)	Following the marked increase in income in 2021/22, the increased engagement with health colleagues has continued and resulted in a significant increase in contributions towards placement costs.
Under £50k		4,038,623	608,531	Main contributors to the variance are projected legal costs, childminder fees, taxi costs, section 17 costs (expenditure to support children in need) and expenditure on families with no recourse to public funds.
<b>TOTAL</b>		<b>38,256,496</b>	<b>6,372,768</b>	
Independent Review - Staffing		717,152	(61,810)	
Independent Review - Under £50k		170,629	4,254	
<b>Total Children's Safeguarding &amp; Family Support</b>		<b>39,144,277</b>	<b>6,315,212</b>	

2022/23 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
<b>Education &amp; Skills</b>				
School Transport (pre 16)		2,953,773	680,000	There is an existing pressure in this area. A large part of the overspend in 2021/22 was driven by a sharp increase in taxi costs in September 2021, which has a full year impact in 2022/23. In addition there has been a significant increase in the number of children and young people entitled to transport assistance from September 2022. A number of initiatives have been undertaken to address the cost pressures impacting upon home to school transport, including: <ul style="list-style-type: none"> <li>• Work to develop market – given lack of competition and increased costs of transport / taxis.</li> <li>• Seek continued efficiencies by reviewing routes and retendering and moving away from high cost provision.</li> <li>• Increase the take-up of Personal Transport Budgets to encourage alternative transport options (and enabling Dedicated Schools Grant (DSG) to be utilised for high needs pupils).</li> <li>• Significantly increase numbers of young people receiving travel training.</li> <li>• Providing minibus transport rather than taxis where possible and re-tendering of taxi contracts.</li> </ul>
Post 16 Transport		295,686	200,000	There is an existing pressure in this area, due to a number of post 16 young people with high needs needing individual transport arrangements. As with pre 16 transport this pressure has been supplemented by sharp increases in taxi costs. Individual cases are being reviewed and where possible alternative, more cost effective transport options are being developed.
Arthog		213,675	72,826	Following the return to normal operations after the ending of covid restrictions, there have been some cost pressures impacting upon Arthog's provision.
Skills		701,253	68,689	There is a longstanding pressure in this area arising from a previous savings target. The service continues to seek to identify ways to achieve efficiencies, and with a return to normal levels of activity after the impact of covid, is looking to generate additional income.

2022/23 Revenue Budget Variations over £50,000		Budget	Variation	Comments
Description		£	£	
Insurance		(10,228)	57,882	Contributions from schools towards insurance costs have reduced as more schools have converted to academies and thus don't buy into council insurance cover.
Under £50K		9,773,174	(20,857)	
<b>Total Education &amp; Skills</b>		<b>13,927,333</b>	<b>1,058,540</b>	
<b>Adult Social Care</b>				
Long Term Care Purchasing	Spot Contracts-Adults with Learning Disability	27,620,426	2,434,530	Variance based on projected expenditure against the budget established for the Learning disabled 18-64 age group
	Spot Contracts-Mental Health	4,110,740	271,570	Variance based on projected expenditure against the budget established for the Mental Health 18-64 age group
	Spot Contracts-Older People & Physical Disability	28,538,820	2,072,090	Variance based on projected expenditure against the budget established for the 65+ age group
	Block Contracts	3,708,640	1,129,290	Block purchased bed contracts for all client groups
Short Term Care(Better Care Fund)	Reablement	3,147,160	0	The short term care budget for reablement forms part of the integrated care partnership with the NHS referred to as the "Better Care Fund". Reablement is free for up to 4 weeks. Delivery of homecare and bed based services is a function of the NHS but is commissioned by the Council. In 22/23 the expenditure pressure based on the agreed base budget is in now expected to be in excess of £6.9m. The ICB have agreed funding of around £5.5m to date with further discussions needed for the remaining £1.4m of pressure now being seen.. There is risk that this pressure could fall to the Council to find. As the costs of this should fall to the NHS monitoring reflects only the agreed budget. The Government has announced additional funding to increase the rate of discharge from hospital, the potential for this to reduce the £1.4m risk to the Council is currently being evaluated but it is thought to be unlikely as the grant is to meet performance additionality

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Income from ICB	Joint Funding	(2,701,220)	(1,499,780)	ICB funding towards care package expenditure where the client has a health element to their care
My Options	Children's Services	128,820	132,270	Funded Summer play groups and activities
	Variations under £50,000	(11,194,550)	(516,418)	
<b>Total Adult Social Care</b>		<b>53,358,836</b>	<b>4,023,552</b>	
<b>Health &amp; Wellbeing</b>				
Public Health Management	Staffing	57,020	(80,032)	Resulting from various staff vacancies
Sexual Health Services	Various	190,000	(51,800)	Reduced activity within contracted services
Stop Smoking Services	Supplies & Services	7,650	(172,700)	Reduced activity within contract particularly with the issuing of prescriptions
Other Public Health Commissioned	Variations under £50,000	-	(78,943)	Variations under £50k
Public Health Grant reserve			383,475	Transfer unapplied Public Health Grant to reserve
General Fund Budgets with HWB area	Variations under £50,000	1,944,461	12,587	Libraries, T&W Coroner Service and Health Protection
<b>Total Health &amp; Wellbeing</b>		<b>2,199,131</b>	<b>12,587</b>	
<b>Neighbourhood &amp; Enforcement Services</b>				
Public Protection	Employee	230,170	112,687	Use of agency staff to cover vacancies
Environmental Maintenance	Various	3,901,799	130,817	Overspend against Grounds & Cleansing contract .

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Contract inflation requirement from Corporate Contingency	Contribution from reserves	-		Drawdown of corporate contingency to offset impact of increased inflation requirement from point at which 2022/23 budget was set.
Concessionary Travel	Various	1,804,637	(74,803)	Net underspend on concessionary travel
Highways	Premises	837,090	(68,419)	Net underspend across highway lighting
Highways	Various	(509,130)	(102,522)	Overachievement in permitting income.
Waste & Neighbourhood services	Various	14,950,690	(596,296)	Underspend due to reduced payments for food & residual waste tonnages.
Refugee Programme	Various	-	(300,000)	Underspends associated with various evacuee/resettlement programmes
Variations Under £50k	Variations under £50,000	11,690,071.31	97,398	Various underspends across Neighbourhood & Enforcement services.
<b>Total Neighbourhood &amp; Enforcement Services</b>		<b>32,905,327</b>	<b>(801,138)</b>	
<b>Communities, Customer &amp; Commercial Services</b>				
Leisure	Income			
Housing Benefit Subsidy	Various	(190,000)	612,881	£306.5k pressure re Rent Allowances netted down by a £29k underspend re homelessness. Cash overpayments down by £140.7k on 21/22, plus overpayments recovery from ongoing benefit down by £90k plus £103k adjustment for bad debt provision
Education Catering	Income - net of food costs			
Commercial Catering	Income - net of food costs	(203,990)	122,433	Projected shortfall in income as Café Go and Ice Rink Café closed plus allowance made for a lower customer capacity following closure's.
Discretionary Awards and Welfare Benefits Team:	Staffing	375,010	(63,938)	Staff vacancies
Housing Benefit/Council Tax Support Team:	Supplies & Services	158,388	(59,203)	Projected savings on Print and Postage costs.

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Registration Services	Income	(269,250)	(62,915)	Increased income across service
Solar Farm	Income	(775,750)	(217,558)	Additional income generated from the Power Purchase Agreement due to increase rates per kwh
ICT	Supplies & Services	2,106,115	(346,767)	Capitalisation of Microsoft licenses offset by the cost of extending current support contracts as a result of major delays on IDT equipment coming into the UK and knock on delays to the data centre migration work
	Other variations under £50k	3,436,223	(117,933)	Variations across Communities, Customer & Commercial Services
<b>Total Communities, Customer &amp; Commercial Services</b>		<b>4,636,746</b>	<b>(133,000)</b>	
<b>Housing, Employment &amp; Infrastructure</b>				
Housing Solutions	Homelessness - Bed & Breakfast expenditure	-	190,000	Homelessness gross cost for the provision of Bed & Breakfast associated with 'Everyone In'. This is an estimate based on actual to date.
	Homelessness - Bed & Breakfast Income	-	(126,000)	Homelessness Housing Benefit income towards the costs above.
Strategic Housing & Regeneration	Income	(63,000)	63,000	Additional income from Affordable Housing Project to cover debt charges - business cases are being developed, it is anticipated the properties will be asap but that will span across to 23/24, impacting on the delivery of this target in 22/23.
	Variations under £50,000	2,173,251	(98,400)	One off vacancy underspends and other one off budgets released.
	Use of Reserves	0	(31,079)	One off reserves applied
	Vacancy freeze underspends	0	(26,825)	One off vacancy freeze underspends released.
<b>Total Housing, Employment &amp; Infrastructure</b>		<b>2,110,251</b>	<b>(29,304)</b>	
<b>Corporate Communications</b>				
	Variations under £50,000	0	(23,159)	Various underspends across Corporate Communications
<b>Total Corporate Communications</b>		<b>0</b>	<b>(23,159)</b>	
<b>Corporate</b>				

<b>2022/23 Revenue Budget Variations over £50,000</b>				
<b>Description</b>		<b>Budget</b>	<b>Variation</b>	<b>Comments</b>
		<b>£</b>	<b>£</b>	
Council Wide Items		(22,104,416)	(7,684)	council wide variations
WME Dividend			(80,075)	WME Dividend for 2021/22
Health & Social Care Levy			(300,000)	Cancellation of Levy; Estimated Benefit November - March
Additional funding			(1,983,000)	
<b>Total Corporate</b>		<b>(22,104,416)</b>	<b>(2,370,759)</b>	
<b>Total</b>		<b>134,952,750</b>	<b>4,598,220</b>	



**Capital Approvals - by Service Area**

Appendix C

<b>Slippage</b>							
Scheme	Service Area	Funding Source	22/23	23/24	24/25	Later Yrs	
Dawley Swimming Pool	Prosperity & Investment	Capital receipts	(750,000.00)	750,000.00			
Playing Pitch Investment	Prosperity & Investment	Capital receipts	(750,000.00)	750,000.00			
Property Investment Portfolio	Prosperity & Investment	Prudential	(2,500,000.00)	(4,775,000.00)	7,275,000.00		
Site preparation	Prosperity & Investment	Capital receipts	(100,000.00)	100,000.00			
Stalled sites	Prosperity & Investment	Capital receipts	(890,000.00)	890,000.00			
Stalled sites	Prosperity & Investment	Prudential	(1,129,134.77)	1,129,134.77			
Condition Works - Leisure	Prosperity & Investment	Prudential	(600,000.00)	600,000.00			
St Georges Regeneration	Prosperity & Investment	Prudential	(527,863.13)	527,863.13			
Stronger Communities	Prosperity & Investment	Prudential	(516,908.15)	516,908.15			
Housing Investment	Prosperity & Investment	Prudential	(1,200,000.00)	1,200,000.00			
Affordable Housing Programme	Housing, Employment & Infrastructure	Prudential	(4,745,000.00)	4,745,000.00			
Housing	Housing, Employment & Infrastructure	Prudential	(2,975,587.81)	2,975,587.81			
Housing	Housing, Employment & Infrastructure	Capital receipts	(501,860.81)	501,860.81			
Customer Services Systems Development	Communities, Customer & Commercial Services	Prudential	(300,000.00)	300,000.00			
Cultural capital	Communities, Customer & Commercial Services	Prudential	(755,000.00)	755,000.00			
Integrated Transport	Neighbourhood & Enforcement Services	Prudential	(400,000.00)	400,000.00			
Managing the Funding of the Capital Programme	Corporate Items	Capital receipts	3,831,860.81	(7,581,860.81)	4,750,000.00	(1,000,000.00)	
Managing the Funding of the Capital Programme	Corporate Items	Prudential	(3,831,860.81)	7,581,860.81	(4,750,000.00)	1,000,000.00	
Efficiency Schemes Capitalisation	Corporate Items	Capital receipts	(1,000,000.00)				1,000,000.00
Capital Investment Fund	Corporate Items	Prudential	(100,000.00)	100,000.00			
<b>Total</b>			<b>(19,741,354.67)</b>	<b>11,466,354.67</b>	<b>7,275,000.00</b>	<b>1,000,000.00</b>	

<b>New Allocations</b>							
Scheme	Service Area	Funding Source	22/23	23/24	24/25	Later Yrs	
			£	£	£	£	£
Highways & bridges capital maintenance	Neighbourhood & Enforcement Services	Revenue	70,000.00				
ICT Investment Programme	Communities, Customer & Commercial Services	Capital Receipts		550,000.00	550,000.00		
Environmental Improvements	Neighbourhood & Enforcement Services	Revenue	29,836.00				
Pothole Action Fund	Neighbourhood & Enforcement Services	Grant		1,916,000.00	1,916,000.00		
Integrated Transport	Neighbourhood & Enforcement Services	Grant		946,000.00	946,000.00		
Highways & bridges capital maintenance	Neighbourhood & Enforcement Services	Grant		2,395,000.00	2,395,000.00		
Highways & bridges capital maintenance	Neighbourhood & Enforcement Services	Revenue	(70,000.00)				
Pride in our Play Areas	Neighbourhood & Enforcement Services	External	5,000.00				
Environmental Improvements	Neighbourhood & Enforcement Services	External	5,545.76				
AMP - S & FP approved bids	Neighbourhood & Enforcement Services	Revenue	1,000.00				
Potters Group LCF	Neighbourhood & Enforcement Services	External	6,811.44				
All Other School Schemes	Education & Skills	External	700,000.00				
Integrated Community Schemes	Adult Social Care	Prudential	126,000.00				
<b>Total</b>			<b>874,193.20</b>	<b>5,807,000.00</b>	<b>5,807,000.00</b>	<b>0.00</b>	

<b>Virements</b>							
Scheme	Service Area	Funding Source	22/23	23/24	24/25	Later Yrs	
			£	£	£	£	£
Stalled Sites	Prosperity & Investment	Prudential	(165,000.00)				
Housing	Housing, Employment & Infrastructure	Prudential	165,000.00				
<b>Total</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



## Affordable Warmth Strategy – Action Plan Update



“Making sure our residents have somewhere warm and safe to live and protecting the most vulnerable members of our communities is of paramount importance to us.

“Through our affordable warmth strategy, we have already supported residents across the borough with a series of measures to make homes more energy efficient and to reduce energy costs.

“As a council on the side of our residents, we’ve directly supported around 4,000 households during these challenging times.”



Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

**Councillor Richard Overton (Labour)**

Deputy Leader and Cabinet Member for Housing, Enforcement  
and Transport

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# Borough of Telford and Wrekin

## Cabinet

Thursday, 5 January 2023

## Affordable Warmth Strategy Update

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<b>Cabinet Member:</b>	Deputy Leader and Cabinet Member: Housing, Enforcement and Transport	
<b>Lead Director:</b>	Katherine Kynaston - Director: Housing, Employment & Infrastructure	
<b>Service area:</b>	Housing, Employment & Infrastructure	
<b>Report Author:</b>	Ravi Phull – Housing Strategy & Regeneration Service Delivery Manager	
<b>Officer Contact Details:</b>	<b>Tel:</b> 01952 381731	<b>Email:</b> ravi.phull@telford.gov.uk
<b>Wards Affected:</b>	All Wards	
<b>Key Decision:</b>	Not Key Decision	
<b>Forward Plan:</b>	Not Applicable	
<b>Report considered by:</b>	SMT – 6 December 2022 Business Briefing – 15 December 2022	

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### 1.0 Recommendations for noting:

It is recommended that Cabinet:

- 1.1 Notes the actions undertaken in respect of the Affordable Warmth Strategy.

### 2.0 Purpose of Report

- 2.1 To provide an update for Cabinet on the work the Council and partners are doing to deliver the Borough's Affordable Warmth Strategy.

### 3.0 Background

- 3.1 In April 2021 Telford and Wrekin Council produced our Affordable Warmth Strategy.
- 3.2 Since the introduction of the Affordable Warmth Strategy the dramatic rise in energy prices driven by the war in Ukraine has meant a significant change in context with many more households in or threatened with fuel poverty. Between October 2021 and October 2022 domestic gas prices increased by 129% and domestic electricity prices by 66% and while the Government has introduced measures to cap energy bills for a period the future scope of these remains uncertain and further increases are expected in April 2023.
- 3.3 The combined effects of the increasing costs of energy, food, road fuel, rents and other essentials, are having a disproportionate impact on those who can least afford it, including people on low incomes and single parents. In Telford & Wrekin, over a third of households have an estimated annual income below £20,000, almost double the percentage nationally, making them more susceptible to becoming fuel poor.
- 3.4 It is expected that a quarter of people will not turn on their heating this winter.
- 3.5 Scientific research makes clear that cold homes are harmful for their occupants bringing a higher risk of stroke, respiratory infection and falls or other injuries due to people's reduced strength and dexterity in low temperatures. Cold homes can have both short and long-term consequences for a person's health, wellbeing and even their opportunities in life.
- 3.6 Excess cold is directly linked with damp and mould growth in the home, further exacerbating respiratory illness.
- 3.7 The Affordable Warmth Strategy aims to:
- **Reduce the number of fuel poor households\***
  - **Improve the health and wellbeing of the most vulnerable people in our community**, by ensuring they live in a warm and comfortable home
  - **Close the gap** targeting those areas of the Borough with the highest levels of fuel poverty and addressing inequalities

*\* The Government publish fuel poverty data every 2 years. The Strategy was based on 2018 figures however very soon after its adoption a new, national Fuel Poverty Strategy for England "Sustainable Warmth: Protecting Vulnerable Households in England" changed the definition of 'fuel poverty' having the effect of increasing the % in the Borough to 16% of households. Updated figures are due but given the current situation it is anticipated these will show an increase in this %. We know from the growth in calls through our hotline and the circumstances of those seeking support alongside data gathered as part of the Cost of Living Strategy that many more households are facing fuel poverty.*

3.8 An Action Plan was published alongside the strategy providing key areas of focus for delivery. While the landscape has changed drastically since then, our actions have followed the same key themes which remain relevant:

- Raising Energy Awareness & Providing Support
- Improving Energy Efficiency & Raising Standards
- Maximising Household Income & Benefitting the Local Economy

#### 4.0 Summary of Main Proposals

4.1 The following sections provide an update on delivery against the themes in the Strategy and Action Plan and set out additional activities we will be taking to support our residents and businesses. The Action Plan remains live and we will continue to develop new initiatives to support residents and businesses.

#### 5.0 Raising Energy Awareness and Providing Support to households across the Borough

**Since the adoption of the Strategy we have:-**

5.1 Worked with our partners Marches Energy Agency to develop and embed the **Telford Energy Advice** hot line to provide a single point of contact for all our residents in need of energy advice and support. The advice line provides a streamlined 'one stop shop' providing advice, home visits and referrals to grant funding available for eligible households.



#### what we achieved in a year

we supported  
**3,500**  
people in fuel poverty

of the people we  
advised  
**41%**  
had health conditions

we partnered  
with over  
**140**  
organisations

we delivered  
more than  
**360**  
home visits

5.2 We have also worked with Marches to raise awareness through activities such as promotions, safer stronger events and visits to schools.



5.3 **Training** – recognising the need to ensure that all front line staff are able to identify the signs of fuel poverty and make swift referrals into support and advice we have delivered a training package initially to our health colleagues with plans to roll this out further.

5.4 We continue to develop our **Website** to provide residents with details and contacts for where they can access support.

5.5 Through a bespoke **Communications Plan** we are ensuring our residents are kept informed of all advice and support available to them. Featuring regular case studies, tips and advice with links to the TEA service and Advice Line.



# FUNDED INSULATION NOW AVAILABLE

to homeowners in Donnington

in partnership with **Telford & Wrekin Council**

you may be eligible to receive energy saving measures through the **Telford & Wrekin Council** Sustainable Warmth scheme



## 6.0 Next Steps

- 6.1 To maximise the reach and range of support provided we will be providing **top up funding to the TEA service** until 2024 to ensure our residents are supported through this critical time.
- 6.2 Recognising that residents are increasingly looking for advice on retrofitting but finding a confusing landscape of advice and recommendations, we have partnered with Parity Projects Ltd to launch a **Planbuilder tool for residents in the Borough**. This facility, accessible via our website, allows residents to search for their property by postcode and find out information about the construction of their property. It then suggests what energy improvements can be made to their property, including latest estimate of costs and also what return they will get in terms of savings. This facility will also assist middle income households, who may fall out of scope for Government funding on how to best plan improvements to their homes. Further advice on accessing accredited installers is also available to all residents via the TEA hotline.
- 6.3 As part of our **Cost of Living Strategy**, launched in October, we are putting in place a range of additional measures to support on energy and utility costs including providing energy rebates for those in Band E and above, on low incomes, and gas and electric vouchers for those on pre paid meters, on low incomes, in emergency situations.

## 7.0 Improving Energy Efficiency and Raising Standards

**Since the adoption of the Strategy we have:-**

- 7.1 **Attracted in excess of £4m of grant to retrofit homes in a number of our Safer, Stronger Programme areas** with some of the highest levels of fuel poverty and low income across the Borough – including:

### Case Study 1

Mr H had External Wall Insulation installed to his property, which he is already seeing the benefit of in reducing his heating bills, but he also has reported an additional benefit during the summer heatwave when his house remained cooler and ‘much more comfortable’.

He’s “delighted” with the installation.

He says the “house feels warmer and retains heat for longer”. He said he “doesn’t need the heating on as high and for not as long of a duration either”





- 7.2 **Local Authority Delivery (LAD2)** – which has been used to retrofit **50** homes in Sutton Hill, with **77** energy efficiency measures, these included external wall insulation, loft insulation, cavity wall insulation, double glazing and solar panels. This programme of works has improved the energy efficiency rating of properties as well as reducing residents' heating bills by up to **£640** a year, and saving up to **600** kilograms of CO<sub>2</sub> emissions each year.

### Case Study 2

'I'm getting old so I'm more susceptible to the cold'

'Upstairs it was freezing, its always been cold, it was too cold to take a shower and the bedroom was really cold too'

'With the installations I've had, I'm able to spend more time upstairs as it's a lot warmer now'

'The difference between my house before and after is MASSIVE'



- 7.3 **Local Authority Delivery (LAD3)** – targeting a further 144 properties with a low Energy Performance Rating including households on low incomes in Donnington Ward.
- 7.4 **Home Upgrade Grant (HUG)** – providing funding to address c.100 off gas properties in fuel poverty.
- 7.5 Given the limitations of Government grant, as a Council we are investing further using £400,000 of our **Climate Change** funding to **provide energy efficiency measures for households who fall out of current Government funding criteria**, however are still classed as fuel poor. This funding is earmarked for use in properties within the **Safer Stronger** Programme Areas and will include measures such loft insulation top up, draught proofing and double glazing.
- 7.6 We have also launched our **TWC Emergency Boiler Fund** committing **£70,000** for emergency boiler replacements for low income households with a cold related illness without any form of heating. This pot is used as a last resort where no other form of heating can be installed.



### Case Study 3

'It is a lot warmer upstairs and upstairs we don't need to put the heating on as much.'

'My wife has asthma so that was definitely a good benefit of getting the loft insulation done'

'We've got two kids under 5 so they house also needs to be warm for them'  
'Living conditions are better, it feels warmer in the house and is better to come home to after being at work all day.'



- 7.7 As part of the cost of living work the Council are piloting **distributing low energy light bulbs** to help those facing fuel poverty. Lighting typically makes up 11% of a household's electricity use and replacement of inefficient halogen or incandescent bulbs will reduce this by 80%. An initial 2000 bulbs will be distributed through Shropshire Fire and Rescue, Wrekin Housing, Telford Crisis Support and Marches Energy Agency. Working with partners means that this support will be targeted and can be fitted directly in people's homes. Should this be successful the Council will invest up to £30,000 of its own climate change funding to scale this up the equivalent of providing a pack of 5 bulbs to an additional 2,600 households as well as connecting recipients to longer-term help through Telford Energy Advice.
- 7.8 We are **ensuring that ECO4 funding is available to ALL vulnerable groups in the Borough** extending the nationally set criteria. We have partnered with MEA to drive take up with onboarding installers and capacity to carry out all eligibility checks to ensure correct households are identified and supported. ECO3 Flex funding brought investment by energy providers of £360,000 to residents in the Borough benefitting vulnerable households by funding heating and insulation measures.
- 7.9 Householders can also use the MEA approved installer list to check the validity of anyone cold calling, offering ECO4 Flex funding. We are also **working with MEA to build on this approved installer list for residents seeking to retrofit their own homes.**

- 7.10 A further £170k of our Climate Change capital funding, has been used to **fit energy efficiency measures to 12 of the Council's temporary accommodation properties**. This project not only improved the energy performance of the properties but led by example in improving our own stock for vulnerable people.
- 7.11 **To further support those living in the private rented sector** the private sector housing team ensure every property inspected during the course of their work meets the minimum energy efficiency standards (MEES) for privately rented properties. Where landlords do not engage with informal advice, formal notices are served. Since May 2022 formal action has been taken in relation to **64** properties containing excess cold and damp hazards.
- 7.12 Through our **Safer Stronger** work in excess of **600** properties have been proactively inspected and where needed brought up to the correct energy efficiency standards.
- 7.13 We have undertaken proactive communications regarding damp and mould issues responding to tenant and landlord reports and working with our social landlords to deal with damp and mould growth hazards in rented properties. The cost of living crisis has further exacerbated issues with vulnerable tenants struggling to heat their homes.
- 7.14 We recognise the challenges of the current energy crisis for private landlords as well as tenants and our Tenant & Landlord Coordinator provides a first point of contact for both to seek advice and support.

## **8.0 Next Steps**

- 8.1 **Home Improvement Loans** – launching in early 2023, we will be working in partnership with Just Credit Union to provide low cost loans for low income homeowners to carry out essential home improvements including energy efficiency measures.
- 8.2 We will look to maximise the **Eco Plus grant** for our residents. Currently in consultation phase, Central Government have announced the ECO Plus grant, aimed at households who **are** able to pay, living in council tax bands A, B, C and D.
- Expected to start in April 2023, ECO Plus Grants of up to **£15,000** will be available to fund the installation of:
- Loft Insulation
  - Cavity Wall Insulation
  - Smart Heating Controls
- 8.3 We will continue to **bid for additional Government grant as well as lobbying for this to be significantly extended** to enable support for many more households to retrofit properties in the lowest EPC bands.
- 8.4 Looking to the future we will be bringing forward **Developer Climate Change Guidance** that will add detail to the planning policies in the adopted Telford &

Wrekin Local Plan helping to future proof new homes. This will include, for example, increased energy efficiency measures and designs to maximise solar gain helping to minimise running costs especially during winter periods. This work will also help inform the review of the Local Plan and ensure that planning policies continue to make a positive contribution to addressing climate change and addressing some of the 'building fabric' causes of fuel poverty.

- 8.5 Through **NuPlace**, the Council's wholly owned housing company, we are committed to ensuring that all homes built, or refurbished as part of the Telford & Wrekin Home's initiative, are delivered to a standard which minimises running costs for tenants. This approach is also in accordance with the Council's and Nuplace's low carbon agenda.
- 8.6 As an example, **Southwater Way, completed by Nuplace** in August 2022 within Telford Town Centre, represents the first scheme incorporating both a fabric first approach to energy efficiency and incorporating solar panels and e charging points. This step forward within Nuplace's specification will help reduce fuel bills for our tenants as well as reducing the scheme's carbon footprint. Estimates suggest that solar panels fitted to an average 3 bedroom home at this development could save the household as much as £900 per year in energy bills (compared to a comparable home using fossil fuels, based on projected energy prices for 2022/23) and reduce the building's carbon footprint by more than 400kg of carbon emissions annually – the same amount of CO2 that's emitted by driving 1,900 miles in a diesel car.
- 8.7 **Telford & Wrekin Homes** is all about investing in and protecting our existing housing stock through high quality renovations, with a commitment to refurbish approximately 100 homes borough wide. Works to our first 12 properties were completed in spring 2022 and alongside cosmetic improvements, refurbishment also sought to address issues such as damp, which can lead to health issues. For all future refurbishment works, Telford & Wrekin Homes will be looking to undertake any necessary upgrades to the fabric of the building to ensure the property meets an Energy Performance Rating of C, in accordance with the provisional Minimum Energy Performance of Buildings Bill.

## 9.0 Maximising Household Income & Benefitting the Local Economy

**Since the adoption of the Strategy, we have:**

- 9.1 Continued to deliver the Council's Benefits and Financial Welfare service long standing support for residents with a range of national and local benefits and discounts, including **Housing Benefit, Council Tax Reduction** and Free School Meals, as well as local discretionary schemes such as **Emergency Welfare Assistance** and **Discretionary Housing Payments**. The cost-of-living crisis has seen a significant increase in applications to these discretionary schemes as a direct result of rising energy and food costs and we have committed to increase the funding for **Emergency Welfare Assistance** for the next two years. In addition, since October 2021 we have been distributing the Government funded **Household Support Grant** by providing supermarket shopping **vouchers** in the school holidays to children who would normally receive a free school meal and providing one off supermarket vouchers to our most financially vulnerable

pensioners in the Borough. This scheme will be continued until at least March 2024. Details of the whole range of financial support that is available can be found in the **Cost of Living Strategy** which was approved by Cabinet in October 2022.

- 9.2 We have worked with partners including the Citizen Advice Bureau (CAB), MEA, WHG, Cadent Gas and our Registered Providers to **ensure residents are receiving consistent, up to date advice on all aspects of fuel debt and agencies are signposting or making referrals** to maximise income and benefits including hardship funds.
- 9.3 **Supporting Business** – While the Affordable Warmth Strategy focusses primarily on residents, we recognise the challenges facing business from rising energy prices and the resultant cost inflation. This is leading to rising prices impacting residents' incomes and risking business closures and resultant job losses. We are taking a number of measures to support and build business resilience with more detailed in our Cost of Living Strategy.
- 9.4 Where we are launching new energy grant schemes we are **committed to using local suppliers** wherever possible.
- 9.5 We recognise there is a **skills shortage around retrofit installation** and are working with our local skills providers and to influence the emerging Local Skills Improvement Plans to address this going forward seeking to ensure the Telford £1 continues to be invested locally.
- 9.6 In November we launched our new **Cost of Doing Business microsite** providing details of all the support and advice available for businesses to address the impact of the current economic circumstances. We have also launched an **Eco Grant and Diversification Grant for High Street businesses** with over **15 awards/submissions** since launch in October. In early February working with partners we will be holding a **Showcase Event** open to all businesses including SME and social enterprises to provide further support and advice.

## 10.0 Alternative Options

- 10.1 The alternative would be to do nothing, which in the current cost of living crisis and rising energy prices, would mean our most vulnerable residents would be most affected driving more into fuel poverty.

## 11.0 Key Risks

- 11.1 The key risks to the delivery of the strategy and action plan are the ongoing energy crisis and withdrawal and /or lack of Government funding for the retrofit and energy efficiency of properties in the low income housing market to protect the most vulnerable.
- 11.2 Another associated risk is the rapid increase in cost of materials and labour which is making Government funding reach less properties than initially scoped.
- 11.3 A lack of retrofit contractors also adds risk to the delivery of any retrofit project within given timescales.

11.4 The inability of tenants to be able to adequately heat their homes provides risk to health and to successful enforcement against landlords who may attribute hazards to tenant lifestyle.

## **12.0 Council Priorities**

12.1 The strategy detailed in this report supports the following Council priorities:

- Every child, young person, and adult lives well in their community,
- All neighbourhoods are a great place to live,
- A community-focussed, innovative council providing efficient, effective and quality services.

## **13.0 Financial Implications**

13.1 The Capital Programme 2021/22 to 2025/26 contains the allocations detailed in this report, which total over £3m. The HUG2 allocation of £1.947m will be added to the Capital Programme in 2023/24.

## **14.0 Legal and HR Implications**

14.1 The Council has the legal power to undertake and provide funding for the activities set out in this report. Where necessary, legal advice has been provided in relation to certain aspects of the report and will be provided on an ongoing basis. Many of the results of the activities in the report, allow the Council to demonstrate it is meeting its Public Sector Equality Duty to reduce inequalities across the Borough.

14.2 There are no HR implications directly arising from this report.

## **15.0 Ward Implications**

15.1 The Affordable Warmth Strategy affects all wards across the Borough. Many of the schemes targeted at specific wards are set out within the body of the report.

## **16.0 Health, Social and Economic Implications**

16.1 The link between poor housing conditions and poor health outcomes is long established. Housing is often cited as an important social determinant of health, recognising the range of ways in which a lack of housing, or poor quality housing, can negatively affect health and wellbeing. Excess cold affects all age groups in different ways within the home, including the very young, the elderly and the vulnerable. This strategy and the associated action plan are key to provide warm and healthy homes for our most vulnerable residents at the most critical time when this group are most affected by the cost of living crisis.

16.2 Where possible we are trying to engage local contractors to help boost our local economy recovering from the effects of the pandemic and the more recent cost of living crisis.

## **17.0 Equality and Diversity Implications**

17.1 Support and advice to manage energy costs and increase energy efficiency is available to all residents through our free hot line. The focus of the Strategy and many of the specific initiatives is those on low and middle income households who are most affected by changes in the market. The work of this strategy aims to provide the best outcomes for this group of people to provide them with the equal opportunities afforded to people on higher incomes.

## **18.0 Climate Change and Environmental Implications**

18.1 The Strategy supports delivery of our climate change and environmental commitments. Through measures to improve the energy efficiency of new and existing homes and support residents reduce the amount of energy they use, we will contribute to a reduction in the Borough's Carbon footprint. A number of actions and programmes identified in this report are funded directly from the Council's Climate Change Fund and as set out in the body of the report are delivering reductions in carbon emissions as well as addressing fuel poverty.

## **19.0 Background papers**

- 1 Telford & Wrekin's Affordable Warmth Strategy 2021-2026
- 2 Telford & Wrekin's Action Plan for Affordable Warmth
- 3 Telford & Wrekin Council Cost of Living Strategy October 2022

**20.0 Appendices**            None.

## **21.0 Report Signed off**

<b>Signed off by</b>	<b>Date sent</b>	<b>Date signed off</b>	<b>Initials</b>
Legal	01/12/2022	01/12/2022	RP
Finance	24/11/2022	28/11/2022	DR

## 2023/24 Telford and Wrekin Schools Funding Formula



“Schools in Telford and Wrekin will receive more funding per pupil next year - a guaranteed increase of 0.5% per pupil and the maximum allowable by government.

“This brings the total budget for school funding in Telford and Wrekin to £159 million in 2023/24.

“We continue to invest in our schools, having spent over £36 million in our school estate in recent years and will continue to support them to provide the best educational experience for every child and young person in our borough.

“We are providing school funding based on estimated pupil numbers so that there is no delay in our growing schools receiving the funding that is due to them.”



Telford & Wrekin  
Co-operative Council

Protect, care and invest  
to create a better borough

**Councillor Shirley Reynolds (Labour)**

Cabinet Member for Children, Young People and Families

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## Borough of Telford and Wrekin

Cabinet, 5 January 2023

### 2023/24 Telford & Wrekin Schools Funding Formula

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<b>Cabinet Member:</b>	Cllr Shirley Reynolds - Cabinet Member: Children, Young People and Families
<b>Lead Director:</b>	Simon Wellman - Director: Education & Skills
<b>Service Area:</b>	Education and Skills
<b>Report Author:</b>	Tim Davis – Group Accountant
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<b>Wards Affected:</b>	All Wards
<b>Key Decision:</b>	Key Decision
<b>Forward Plan:</b>	7 December 2022
<b>Report considered by:</b>	SMT – 6 December 2022 Business Briefing – 15 December Cabinet – 5 January 2023

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#### 1.0 Recommendations for decision/noting:

1.1 It is recommended that Cabinet approves the 2023/24 funding formula for Telford & Wrekin mainstream schools, as set out in paragraphs 4.1 to 4.8 and summarised at paragraph 4.9.

#### 2.0 Purpose of Report

2.1 Each year we review the local funding formula for mainstream schools in the context of revisions to Department for Education (DfE) regulations or any other relevant developments.

2.2 Although we consult with schools and the Schools Forum regarding any changes, the Council makes the final decision on the funding formula. The local funding formula applies both to academies and maintained schools.

### **3.0 Background**

3.1 Dedicated Schools Grant (DSG) is allocated to local authorities by the DfE in four blocks; Schools, High Needs, Early Years and Central School Services.

3.2 For 2023/24 there is also 'Additional Schools Grant' in the Schools and High Needs blocks, as a result of additional funds allocated in the government's Autumn 2022 budget statement.

3.3 T&W's 2023/24 allocations are as follows:

- Schools Block: Calculated by multiplying the number of pupils at the preceding October census (i.e. October 2022 for 2023/24) by a unit of funding, which is different for each local authority. The 2023/24 allocation for T&W is £154m plus £5m of Additional Schools Grant, making a total of £159m.
- High Needs Block: Calculated by a combination of historic allocations and a national funding formula. The 2023/24 allocation for T&W is £33.5m, supplemented by £1.4m of Additional Schools Grant, making a total of approximately £35m.
- Early Years Block: Calculated by taking the average pupils in the relevant two January censuses (i.e. January 2023 and January 2024 for 2023/24) and then multiplying by a unit of funding. The 2023/24 allocation for T&W is £13.6m.
- Central School Services block: Calculated by a mixture of historic expenditure levels and number of pupils. The grant was introduced in 2018/19 replacing (albeit at a much reduced level) the abolished Education Services Grant. The 2023/24 allocation for T&W is £1.1m.

3.4 This report concerns the local funding formula used to distribute the school block to mainstream schools.

3.5 The DfE provides the national bases of the funding formulas in the summer, with the final funding allocations to local authorities in December being determined by applying these bases to the October census data.

3.6 There is some flexibility to move money between blocks, but any movement out of the Schools and Early Years blocks is limited in scale and subject to a Schools Forum vote. DSG as a whole is ring-fenced for schools.

3.7 Nationally, there is considerable financial pressure on high needs budgets. The County Councils Network estimates that the overall deficit in England now exceeds £2bn. To date, T&W has been able to manage rising demand within high needs allocations, due to strong relationships with schools and other providers and robust financial control. At the end of financial year 2021/22 the overall DSG position for T&W was a surplus of £0.3m.

3.8 In 2023/24, we will be asking maintained schools in Telford & Wrekin to de-delegate funding for the local authority's statutory school improvement functions. Until 2021/22, these were funded by the DfE's 'Local Authority Monitoring and Brokering' grant. This is being removed by the DfE, half in 2022/23 and the remaining half in 2023/24. No alternative funding is being provided, although local authority's statutory functions remain unchanged. Nationally, the value of the grant was £50m, whilst for Telford & Wrekin it was worth £182,000 in 2021/22.

3.9 The DfE calculates Schools Block funding allocations to local authorities by a National Funding Formula (NFF). This revised methodology replaced the existing historically based allocations in 2018/19. The DfE is now moving to extend the national formula to school level, requiring authorities to begin converging to the national formula from 2023/24

#### **4.0 Summary of main proposals**

4.1 For several years, T&W has adopted the principle of mirroring the national funding formula, as far as possible, in our local funding formula. This policy is in the context of the DfE's stated intention to move to a national funding formula at school level.

4.2 Our proposal to continue this policy means that the requirement to begin converging the local formula to the national formula from 2023/24 should have little impact on local arrangements.

4.3 The local funding formula was discussed with the Schools Forum on 29 September 2022 and 17 November 2022. The Forum agreed that we should continue to mirror the NFF funding factors in the local funding formula 2023/24 as far as is possible.

4.4 Since 2020/21 the DfE has also required local authorities to apply a minimum funding per pupil amount to all schools. For 2023/24 this is set at £4,405 for primary schools and £5,715 for secondary schools. This has the impact of boosting the funding of schools with less deprived intakes, as these schools receive relatively little from funding factors linked to deprivation and low prior attainment.

4.5 There is a further national minimum funding guarantee, assuring a minimum increase per pupil compared to the previous year. For 2023/24 current national regulations mean this must be set at between 0% and 0.5%. T&W propose to adopt the highest possible level of 0.5%.

4.6 There continues to be pupil growth in the secondary sector in T&W. In order to support this growth, when schools agree upon request from the Council to increase their pupil admission number (PAN), or to admit pupils above their PAN, these schools are proposed to be funded based on the resulting estimated pupil numbers in the admission year (reception for primary schools, year 7 for secondary schools). This avoids the lag in the school funding system, as usually funding for the financial year April to March (maintained schools) or academic year September to August (academies) is based on the preceding year's October census. This proposal matches the arrangements followed in 2022/23.

4.7 Additional funding for pupil growth is provided by government based on local demographic data.

4.8 Actual allocations to schools can only be finalised once the final funding information released by the DfE in December has been worked into a local funding formula for T&W. Cabinet approval is therefore being sought for the principles behind the local funding formula for schools, rather than the precise amounts to be allocated to each school.

4.9 To summarise, it is recommended that the formula:

- mirrors the governments national funding formula for schools as far as is possible;
- includes a guaranteed increase per pupil of 0.5%, the maximum allowable by government;
- where appropriate, supports growing schools by using estimated pupil numbers to determine funding, to avoid a lag in money reaching growing schools.

## **5.0 Alternative Options**

5.1 Local authorities' ability to significantly alter their local funding formula is now constrained by the requirement to begin converging to the national model from 2023/24. However, as noted above, for several years we have in any case aimed to replicate the national model as far as possible locally.

## **6.0 Key Risks**

6.1 The funding formula for schools aims to provide a fair allocation of resources to all schools, within the constraints of total available DSG funding, by taking account of each school's demographics and other circumstances.

6.2 However, with regards to school income, the amount of funding available is determined by government. With regards to expenditure, key determinants of schools' costs such as pay awards, energy bills etc are outside the local authority's control. Therefore, whilst aiming to be as fair as possible, the funding formula cannot protect schools from all financial risks.

## **7.0 Council Priorities**

7.1 The school funding formula aims in particular to support the Council's priority to ensure that *'Every child, young person and adult lives well in their community'*. By supporting the ability of schools to enable children and young people to achieve their academic potential, it also contributes to ensuring that *'Everyone feels the benefit from a thriving economy.'*

## **8.0 Financial Implications**

8.1 As described above, schools are funded by the Dedicated Schools Grant (DSG), ring-fenced funding allocated to councils by government. Most mainstream schools in Telford & Wrekin (T&W) are forecast to receive an increase in funding in 2023/24 both in funding per pupil and in total funding. There is a national Minimum Funding Guarantee (MFG) per pupil set at between 0% and 0.5% for 2023/24. We propose to set the local MFG at the maximum 0.5%.

## **9.0 Legal and HR Implications**

9.1 The dedicated schools grant (DSG) is payable to the local authority under Section 14 Education Act 2002 and administered under the DSG: Conditions of Grant Guidance, as updated by the Education & Skills Funding Agency from time to time.

9.2 The Chief Financial Officer of the local authority is required to confirm the deployment of the DSG in support of the schools budget

9.3 The School and Early Years Finance (England) Regulations 2021 (in force 01.04.2021) govern how the local authority determines its schools budget and consultation requirements.

9.4 The application of the national funding formula (NFF) for schools for 2023-2024 is informed by Department for Education guidance and Education & Skills Funding Agency operational guidance, as updated from time to time.

## **10.0 Ward Implications**

10.1 The revised funding formula will affect all schools in T&W, including academies, with the exception of nursery schools, special schools and independent schools and so will impact upon all Wards across the Borough.

## **11.0 Health, Social and Economic Implications**

11.1 As noted above, the local schools funding formula now mirrors the national formula as far as possible. This formula allocates substantial funding based on measures of deprivation and low prior attainment, to assist schools to address educational under attainment linked to the social and economic background of pupils.

## **12.0 Equality and Diversity Implications**

12.1 Social and economic inequality is addressed in the local formula as described in section 11 above. In addition, the formula contains funding for pupils with English as an Additional Language.

## **13.0 Climate Change and Environmental Implications**

13.1 The proposed funding formula has no direct implications for climate change and the environment.

#### 14.0 Background Papers

- 1 Dedicated Schools Grant allocations tables and supporting documents, Education & Skills Funding Agency, December 2022.
- 2 “Schools Operational guide: 2023 to 2024”, Education & Skills Funding Agency, October 2022.
- 3 T&W Schools Forum, minutes and accompanying papers of meetings held on 29 September 2022 and 17 November 2022.

#### 15.0 Appendices

None.

#### 16.0 Report Sign Off

<b>Signed off by</b>	<b>Date sent</b>	<b>Date signed off</b>	<b>Initials</b>
Legal Services	29/11/2022	29/11/2022	KF
Finance	29/11/2022	1/12/2022	TD
Director of Education & Skills	29/11/2022	29/11/2022	SW