Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Cabinet

## Thursday 15 February 2024

## 10.00 am

## Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

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|---|---|---|
| **Democratic Services:** | **Jayne Clarke / Paige Starkey** | **01952 383205 / 380110** |
| **Media Enquiries:** | **Corporate Communications** | **01952 382406** |
| **Lead Officer:** | **David Sidaway - Chief Executive** | **01952 380130** |

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**Cabinet Members:**

| | |
|---|---|
| Councillor S Davies | Leader of the Council |
| Councillor R A Overton | Deputy Leader and Cabinet Member: Homes & Enforcement |
| Councillor E M Callear | Cabinet Member: Education, Employment & Visitor Economy |
| Councillor L D Carter | Cabinet Member: Place (The Economy & Neighbourhood Services) |
| Councillor N A M England | Cabinet Member: Finance, Customer Service & Governance |
| Councillor C Healy | Cabinet Member: Climate Action, Green Spaces, Heritage & Leisure |
| Councillor R Mehta | Cabinet Member: Inclusion, Engagement, Equalities & Civic Pride |
| Councillor K Middleton | Cabinet Member: Healthy, Safer & Stronger Communities & Partnerships |

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| Councillor S A W Reynolds | Cabinet Member: Early Years, Children & Young People |
| Councillor P Watling | Cabinet Member: Adult Social Care & Health Systems |

**Invitees**

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|---|---|
| Councillor A J Eade | Conservative |
| Councillor W L Tomlinson | Liberal Democrat |

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| **5.0** | **2023/24 Financial Monitoring Report**<br>**Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance**<br>To receive the Financial Monitoring Report for 2023/24. | **13 - 34** |
| **6.0** | **Medium Term Financial Strategy 2024/25 – 2027/28**<br>**Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance**<br>To receive the Medium Term Financial Strategy 2024/25 – 2027/28. | **35 - 434** |
| **7.0** | **Telford & Wrekin Council Registered Provider Housing Management Board**<br>**Cllr Richard Overton - Deputy Leader and Cabinet Member: Homes & Enforcement**<br>To approve the creation of Telford & Wrekin's Housing Management Board. | **435 - 442** |
| **8.0** | **Building Safer, Stronger & Healthier Communities through better Air Quality**<br>**Cllr Richard Overton - Deputy Leader and Cabinet Member: Homes & Enforcement**<br>To approve the Air Quality Strategy. | **443 - 498** |

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# CABINET

**Minutes of a meeting of the Cabinet held on Thursday 4 January 2024 at 10.00 am in Walker Room, Meeting Point House, Southwater Square, Telford TF3 4HS**

**PUBLISHED ON WEDNESDAY 10 JANUARY 2024**

**(DEADLINE FOR CALL-IN: MONDAY 15 JANUARY 2024)**

**Present:** Councillors S Davies (Chair), R A Overton (Vice-Chair), L D Carter, C Healy, R Mehta, K Middleton, N A M England and P Watling.

**Also Present:** Councillors T Nelson and W L Tomlinson

**Apologies:** Councillor E M Callear, A J Eade and S A W Reynolds

## CAB-36 Declarations of Interest

None.

## CAB-37 Minutes of the Previous Meeting

**RESOLVED - that the minutes of the meeting held on 19 October 2023 be confirmed and signed by the Chair.**

## CAB-38 Leader's Announcements

The Leader referred to the planned changes to services being delivered at Princess Royal Hospital and the decision of the Government to close down A&E services and the moving of the Women and Childrens Unit.

Following representations made by the Council, the Independent Reconfiguration Panel had been asked to provide advice to the Secretary of State for Health on the proposals. The decision was that Future Fit would continue with some 13 recommendations which demonstrated how problematic the proposal was. Crucially the Independent Panel requested that the term “A&E Local” should not be used as this undermined patient safety.

The Leader would be writing to the Government immediately to ask for the withdrawal of the wording “A&E Local” to be removed from all of the plans.

Telford and Wrekin would be the largest Town without a fully functioning A&E and it was the Council’s job to stand up for Telford and no apology would be made for this.

## CAB-39 Housing Investment Programme Update

The Cabinet Member: Place (The Economy & Neighbourhood Services) presented an update on the Housing Investment Programme together with an update on the performance of the property and tenancy management service and the financial outturn for Nuplace during 2022/23.

To date, Nuplace housing portfolio comprised 485 homes with a further 359 planned or due to be delivered bringing the total portfolio to 844 homes. Of these, 123 were affordable and available at discounted rents. A further 399 affordable dwellings were being delivered by housing association partners. Work at Southwater Way in relation to the low carbon town centre scheme had been completed. A further 99 homes were under development across three sites including 18 accessible and adaptable dwellings and 18 low carbon homes. The scheme at The Gower was bringing a Grade 2 listed building back into use. Planning Permission had been secured for a further 155 new homes across the Borough with the Nuplace portfolio offering a broad range of property types and sizes.

There were approximately 1,350 people living in Nuplace properties across ten sites. Following a recent survey 95% of tenants would recommend Nuplace to family and friends.

The Social Value Plan contributed towards employment, training, apprenticeships, supply chain development and the delivery of a range of community projects on a site-by-site basis.

In addition to creating good quality housing for rent, and driving an improvement in housing standards within the private rental market, a cumulative net incremental income of £9.7m to the Council had been achieved up to 2022/23. Benefits from Council Tax and the New Homes Bonus had generated an additional income of £4m up to 31 March 2023. The capital value of the Nuplace asset portfolio was £86.7m; an increase of 28%.

Cabinet Members welcomed the report which brought brownfield sites and old housing stock back into use. Through partnership working with other housing providers and using the TWC Homes Model this set a benchmark for affordable social rents and helped to combat rogue and absent landlords. It also improved local health, inequalities and climate action and gave local resident a sustainable home for life.

The Leader of the Liberal Democrat Group welcomed the dwellings being of a higher standard than the national guidelines, environmentally friendly and keeping the standards high for others to match as well as the commercial success of Nuplace.

The Deputy Leader of the Conservative Group welcomed the principal of Nuplace and that it was leading the way and asked that a partnership approach take place with the private sector.

**RESOLVED that:**

a) **the progress made in relation to the delivery of the Housing Investment Programme be noted; and**

b) **the financial performance for the year 2022/23 and the impact of Nuplace's operations on the Council's budget position be noted.**

**CAB-40 Invest Telford Economic Development Strategy**

The Cabinet Member for Place (The Economy & Neighbourhood Services) presented Invest Telford which reported on the Council's vision for fair and inclusive economic growth.

Exceptional rates of business growth and investment continued to be founded on a commitment to being a business supporting and business winning Council with an increase of 14.9% in the number of businesses in the town. Grant funding of £110m had been used to support businesses creating more than 4,000 new jobs. Investment into Telford's connectivity via transport and digital technology played a role in connecting communities and facilitating growth.

The report set out the myriad of challenges that the Council had faced and the continued focus on economic growth and resilience. Due to significant changes in the UK economy, it was necessary to re-visit the economic strategy the reflect new challenges and embed Telford's vision up to 2032 which included raising skill levels, connecting local residents to opportunities, affordable energy and infrastructure and ensuring Telford continued to be a draw for new investors. This would be achieved through tailored business support which included business grants and incentives, skills for growth - job promotion, the Telford Land Deal and Growth Fund, creating new sector investment opportunities, investment into transformational infrastructure and marketing our offer.

Cabinet Members welcomed the report highlighting that key to being a business winning and business supporting Council was tackling inequalities, leading the green economy and creating jobs for the future by having a forward thinking approach.

The Leader of the Liberal Democrat Group welcomed the report and the relationship with Wolverhampton University who had a base in Telford.

The Deputy Leader of the Conservative Group commented on the ambition of the strategy and the success of Telford's strong economy and looked forward to seeing details of the measurement of success against the strategy.

**RESOLVED that:**

a) **the contribution that the Council's approach to business and investment support is having on the local economy, businesses and residents be noted;**

**b) the Invest Telford Strategy for Growth 2024 – 2034 as the basis to further the promotion of the Borough for business investment, recognising that the Strategy will be fair and inclusive and aligned with the Council's broader goals of creating a thriving community with inspiring opportunities for all, be approved;**

**c) the establishment of a Telford business leadership forum comprising senior leaders from the private, public and third sectors committed to delivering sustainable growth. Delegates the constitution of the forum to the Director: Housing, Employment and Infrastructure and the Director: Policy and Governance in consultation with the Cabinet Member for Place be approved; and**

**d) the creation of an Ambassador programme, open to businesses across all sectors and to key public organisations in order to leverage wider support for the promotion of Telford as a destination for investment, growth and quality of life be approved.**

**CAB-41 <u>2023/24 Financial Monitoring Report</u>**

The Cabinet Member: Finance, Customer Services and Governance presented the 2023/24 Financial Monitoring Report which gave the latest financial monitoring position relating to the revenue budget, capital programme and income collection.

Following approval of the Medium Term Financial Strategy (MTFS) 2023/24 – 2026/27 at Full Council on 2 March 2023 the economic climate had continued to encounter high inflation, high energy costs, interest rate increases and the cost of living emergency. The latest projections on the outturn position were set out in the report. The funding outlook for the medium term remained uncertain and would continue to be a challenge in light of the current inflationary pressures, increasing costs of Children's Safeguarding and the demand for Adult Social Care.

Cabinet Members thanked the teams across the Council for their hard work but highlighted the pressure on local government.

The Leader of the Liberal Democrat Group welcomed the report but highlighted the difficulties faced by the Council in relation to increased costs and demands in supporting vulnerable adults and children.

The Deputy Leader of the Conservative Group commented on the circumstances that local government around the country faced but felt that the Council were doing the best they could to balance their budget.

**<u>RESOLVED</u> – to RECOMMEND TO COUNCIL that:**

a) **the 2023/24 revenue budget position; approves the use of contingencies detailed in section 5.3; and, the use of and re-purposing of reserves detailed in Section 5.3;**

b) **the position in relation to capital spend; to approve the changes to the capital programme and all associated changes to the Medium Term Financial Strategy, including Treasury and Prudential Indicators; and**

c) **the collection rates for NNDR, council tax and sales ledger be noted.**

**CAB-42 Medium Term Financial Strategy 2024/25 – 2027/28**

The Cabinet Member: Finance, Customer Services & Governance presented the Medium Term Financial Strategy which gave an update on the key uncertainties, financial pressures and increase in demand for the provision of social care services.

A consultation would take place between 5 January 2024 and 4 February 2024 with key stakeholders, voluntary and community sectors, Town and Parish Councils, businesses and cross-party Business & Finance Scrutiny committee. Views would also be sought from local residents through the Council's website.

Following the consultation, a report containing the budget and finalised levels of Council Tax would be brought back to the Cabinet meeting being held on 15 February 2024 which would contain recommendations to be considered at Full Council on 29 February 2024 and would ensure that the Council's medium-term financial position remained sustainable and robust.

Cabinet Members highlighted the increase in demand in both adult and children's services and asked residents to take part in the consultation. The housing investment portfolio supported services and helped to create new jobs and investment opportunities which showed ambition for the Borough and the local community.

The Leader of the Liberal Democrat Group supported the report and noted the difficult financial circumstances the Council faced.

The Deputy Leader of the Conservative Group noted the report and welcomed the opportunity for debate at Full Council.

**RESOLVED – that:**

a) **the revised Medium Term Financial Strategy (MTFS) including a council tax increase for 2024/25 of 4.99% which will be fully invested in the provision of social care services for the most vulnerable members of our community be noted;**

**b) delegated authority be granted to the Director: Finance & Human Resources, in consultation with the Leader or relevant Cabinet Member to allocate funding from the £20m Capital projects fund referred to in paragraph 4.6 of the report;**

**c) the unprecedented financial pressures being faced by local authorities across the country and the high level of uncertainty relating to the medium term financial outlook for Telford & Wrekin Council due to:**

- **The escalating costs of, and demand for, many Council services but particularly Adult Social Care and safeguarding vulnerable children;**
- **National and international economic pressures resulting in an extremely challenging financial outlook for U.K. public services;**
- **The Government's one-year provisional local government finance settlement not extending beyond the end of March 2025;**
- **The impact of the significant potential changes to the local government finance system which have now been discussed by the Government for many years remain a major uncertainty. As does the potential impact of Adult Social Care funding reforms which have been delayed until October 2025; and**

- **the high level of uncertainty required the Council to retain flexibility by limiting new ongoing investments to our highest priorities whilst identifying significant ongoing additional budget saving; be noted.**

**CAB-43 <u>2024/25 Telford & Wrekin Schools Funding Formula</u>**

The Cabinet Member: Adult Social Care & Health Systems presented the 2024/25 Telford and Wrekin Schools Funding Formula on behalf of the Cabinet Member: Education, Employment & Visitor Economy who was unable to attend the meeting.

A review of the local funding formula for mainstream schools in line with revisions from the Department for Education (DfE) took place annually in consultation with schools and the Schools Forum and applied to both academies and maintained schools as set out in the report.

The DfE had miscalculated the number of pupils in the Borough (and nationally) which meant that the net impact on per pupil amounts were around 0.62% less than they would otherwise have been. Despite this, there had been a modest increase in the per pupil funding for 2024/25 for Telford and Wrekin of 2.12% which as slightly above the national average of 1.90%.

In order to help with special and high educational needs pressures, local authorities could transfer 0.5% of the schools block budget between Dedicated Schools Grant (DSG) blocks which equated to £0.8m in 2024/25 for

Telford and Wrekin but this decision would be taken by the Schools Forum rather than Telford & Wrekin's Cabinet. A consultation would take place with local schools and the Forum would vote at their meeting on 18 January 2024.

In relation to the reduction/removal of joint use funding a decision was awaited from the DfE. Contingency plans were being developed in the event that the funding was reduced or withdrawn.

The Leader of the Liberal Democrat Group commented that this was a further cut to schools due to heating and salary costs.

The Deputy Leader of the Conservative Group expressed concerns in relation to the turnover of teaching staff, prosperity being founded on education and skills. He also noted that the funding for schools was insufficient but recognised that the council would work within the national framework despite the lack of funding provided to it.

**RESOLVED – that the 2024/25 funding formula for Telford & Wrekin mainstream schools, consulted on with the Schools Forum, be approved.**

## CAB-44 Telford Town Park Strategic Framework

The Cabinet Member for Climate Action, Green Spaces, Heritage & Leisure presented the key findings and recommendations on the Telford Town Park Strategic Framework 2023.

Telford Town Park covered some 150 hectares and was the largest green space within the Borough. It contained formal play areas located to the north and incorporated approximately 90 hectares of designated Local Nature Reserve, 13 pools and ponds, historic industrial landmarks, formal gardens, sports and leisure facilities, a visitor centre and Queen Elizabeth II Arena and attracted approximately 700,000 visitors per year and was an important part of the Green Network.

Providing formal and informal recreation opportunities the Town Park made a significant contribution towards improving the health and wellbeing of local residents as well as being central to the visitor, economic and cultural offer. It hosted a programme of events ranging from large music events, the annual Balloon Fiesta, local community events and the weekly park runs.

The Strategic Framework set out the overarching plan and vision for the Town Park over the next ten years and remained the jewel in the Borough's crown.

Set out in the report were identified projects which took place alongside a range of partners and Town and Parish Councils. The Town Park Team continued to work with the Exotic Zoo, Wonderland and the Council's High Ropes attraction.

A benchmarking exercise had been undertaken on the cost of the park which was considerably lower than sites across the country through income generation and a commercial approach and the Council would continue to keep striving to ensure the Town Park remained a valued part of the community.

Cabinet Members welcomed the report and the fantastic outdoor space which was vital to the local community and the positive response that was received from visitors.

The Leader of the Liberal Democrat Group welcomed the report and the importance of having a free green space and activities during the cost of living crisis.

The Deputy Leader of the Conservative Group praised the Town Park its biodiversity and access to free activities and welcomed the vision for its future.

**RESOLVED – that:**

a) **the Telford Town Park Strategic Framework be endorsed; and**

b) **delegated authority be granted to the Director of Communities, Customer and Commercial Services in consultation with the Lead Cabinet Member for Climate Action, Green Spaces, Heritage and Leisure to progress the further development of the recommendations set out within the Strategic Framework.**

## CAB-45 Telford and Wrekin Alcohol and Drugs Strategy 2024-2029

Cllr Kelly Middleton - Cabinet Member: Healthy, Safer & Stronger Communities & Partnerships presented the Telford and Wrekin Alcohol and Drugs Strategy 2024-2029 which had been developed by the Telford and Wrekin Alcohol and Drugs Partnership Board during 2023.

Addiction to alcohol and other substances had a huge impact in society and in England an estimated 600,000 people dependent on alcohol and 300,000 on substances which was more prevalent in the most deprived communities and led to inequalities in health.

The previous strategy had been approved by Cabinet in 2019 and had achieved its three key aims which included increasing the number of people receiving alcohol treatment, improving outcomes for alcohol and drugs treatment and providing better support for children and young people affected by their parents' addiction. The Covid 19 pandemic had brought major challenges to the implementation of the strategy and had a significant impact on partnership planning and access to services.

In 2023, a new Alcohol and Drugs Strategy was approved by the Telford and Wrekin Community Safety Partnership with priorities identified as prevention, a reduction in alcohol and drug related harm, treatment and recovery support.

It also set out to reduce deaths caused by alcohol, hospital admissions and, offending together with other harm to local communities.

Cabinet Members welcomed the Strategy and highlighted that prevention was key for a good standard of living along with treatment and recovery. It also recognised the impact on children and the generational impact.

The Leader of the Liberal Democrat Group welcomed the Strategy and commented on the national statistics and felt that more funding would be of benefit to this area of work.

The Deputy Leader of the Conservative Group was supportive of the Strategy which worked towards national guidelines and best practice. He considered that alcohol abuse should be recognised on the same scale as drug abuse due to the similarity of destructive tendencies and welcomed the prevention, moderation and management of these behaviours.

**RESOLVED – that the Telford & Wrekin Alcohol and Drugs Strategy 2024-2029 be approved.**

**CAB-46 Councillors Pride Fund 2022-23: Helping to Protect, Care and Invest to Create a Better Borough**

The Cabinet Member: Inclusion, Engagement, Equalities & Civic Pride presented the report on Councillors Pride Fund 2022-23: Helping to Protect, Care and Invest to Create a Better Borough which provided details in relation to allocation of the Councillors' Pride Fund during the financial year 2022/23.

The fund enabled Members to deliver the Council's five priorities in their ward with a small amount of money making a big difference on a local level, particularly to small community groups that found it difficult to access alternative grant funding. The final deadline for submitting applications in the current financial year was 1 February 2024. During the reporting period a total of 604 proposals had been received with 402 applications being awarded – some Councillors had joined forces to provide more funding for particular projects. By 5 September 2022, 36% of projects had been approved and were underway. Applicants were encouraged to seek match funding which had secured 46p of additional funding for every £1 allocated.

The report highlighted how Councillors had used the funding to support the Council's priorities in 2022.

Cabinet Members welcomed the report and highlighted the positive impact it had made in local communities and to support the voluntary sector and were proud of the Pride Fund.

The Leader of the Liberal Democrat Group welcomed the funding of £5,000 per Ward Member.

The Deputy Leader of the Conservative Group advocated the scheme which was administered efficiently and allocated to local communities in response to their requests and thanked the staff for their work.

**RESOLVED – that:**

a) **the continued impact of the Councillors Pride Fund in supporting Members to deliver the Council's five priorities in their ward to protect, care and invest in order to create a better borough. Councillors Pride Fund 2022-23: Helping to Protect, Care and Invest to Create a Better Borough be noted;**

b) **the importance of this funding in offering a bespoke response to need in individual communities and in supporting community organisations to thrive and offer valued services to residents be noted;**

c) **the additional funding that applications to this scheme have secured through match funding of projects to the value of £248,212 be noted;**

d) **the final deadline for applications in the year 2023-24 of 1 February 2024 be noted.**

The meeting ended at 11.41 am

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

Anthea Lowe
Director: Policy & Governance
Date: **Wednesday 10 JANUARY 2024**

Signed .....

Date: Thursday 15 February 2024

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Cabinet

### 15 February 2024

### 2023/24 Financial Monitoring Report

| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services and Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Pauline Harris – Finance Manager |
| **Officer Contact Details:** | **Tel:** 01952 383701 **Email:** pauline.harris@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024 |

## 1.0 Recommendations for Decision/Noting

It is recommended that Cabinet:

1.1 Notes the 2023/24 revenue budget position;

1.2 Notes the position in relation to capital spend; and

1.3 Notes the collection rates for NNDR, council tax and sales ledger.

## 2.0 Purpose of Report

2.1 To provide Cabinet 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) 2023/24 - 2026/27 was approved at Full Council on 2 March 2023, which included the 2023/24 revenue budget and medium term capital programme. Since the MTFS was approved, the economic climate has continued to change with high inflation, high energy costs, increases in interest rates and rising demand for many services partly fuelled by the cost of living emergency facing our residents, businesses and the Council itself.

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 This Financial Monitoring Report for 2023/24 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 approved 2023/24 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, especially in light of the current inflationary pressures, increasing cost of placements in Children's Safeguarding and high demand in Adult Social Care.

3.6 There is a statutory duty for local authorities to set a balanced and robust budget each financial year and to take timely action to address financial pressures. It is our aim to continue to deliver quality services whilst ensuring a balanced budget.

3.7 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

4.1.1 Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by high inflation and high demand for services – particularly Adult Social Care and Children's Safeguarding. Many councils have reported significant pressures in their financial monitoring reports arising from increases in demand for key services and higher costs particularly for provision of social care.

4.1.2 While inflation is expected to reduce in the medium term, current indicators show that the economy will be slower to recover than was expected when the Council's budget was set. September 2023 CPI was 6.7%, in October CPI fell to 4.6% and in November it fell to 3.9%, significantly lower than the high of 11.1% in October 2022 but still reflecting the ongoing pressure of increasing costs. There is no additional government funding to meet these cost pressures; although it is clear that councils need a long-term, fully resourced plan from the Government in order to sufficiently fund local services.

4.1.3 Given these factors, early monitoring for 2023/24 indicated a number of variations from the approved budget, particularly relating to Adult Social Care and Children's Safeguarding where in order to meet the needs of residents, additional investment was required. Due to the Council's proactive and strong financial management, work was undertaken earlier in the year to identify savings and additional income to meet the projected pressures at that point and the Medium Term Financial Strategy was updated at Full Council in July to reflect this.

4.1.4 Unfortunately, Children's Safeguarding and Adult Social Care have continued to project further additional investment being required since July in order to meet high demand and manage market challenges. Similar pressures are being experienced by all councils nationally. It was very disappointing that the provisional local government finance settlement announced in December 2023 failed to address the considerable pressures being experienced nationally in Adults and Children's Services.

4.1.5 Before application of remaining contingencies included in the revenue budget, the projected outturn position is currently expected to be over budget by £9.438m at year end, an increase of £1.813m since the last report. Making use of the remaining budgeted contingency and one off reserves identified will bring the overall position to additional investment of £0.080m being required.

4.1.6 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 during the remainder of 2023/24 to address the in-year financial pressures. Work identified in previous monitoring reports such as accelerating savings proposals, review of reserves and balances, review of vacancies and strict control of spend, will continue to be actioned.

4.1.7 Projections will continue to be refined in the final part of the year. While extremely challenging our aim is to continue to deliver quality services to the residents of the borough and protect critical front-line services. If the final outturn position is over budget this would be covered from a number of reserves which may include the Council's Budget Strategy Reserve.

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

| | **£m** |
|---|---|
| Net Revenue Budget | 146.774 |
| Projected Net Revenue Outturn | 156.212 |
| Projected Variance | +9.438 |
| Use of Budget Contingency | -2.656 |
| Use of Reserves | -6.702 |
| **Additional Investment Required** | **+0.080** |

4.1.9 There are clearly a number of variations from the approved budget. Projections will continue to be refined in the final weeks of the year; the key variances are shown below:

| | |
|---|---|
| Adult Social Care – cost of providing care packages across all client groups requiring additional investment to be made in order to meet demand. This position is after the additional net investment of £7.26m in to ASC made as part of the original budget for 2023/24 and the further investment of £3.975m in the amendments to the MTFS approved at Council in July 2023. | +£8.002m |
| Children's Safeguarding & Family Support – increased demand requiring additional investment, including residential placements and complex post-16 placements; together with increased staffing costs and provider charges. This position is after the additional net investment of £2.5m in to Children's Safeguarding made as part of the original budget for 2023/24 and the further investment of £4.521m in the amendments to the MTFS approved at Council in July 2023. | +£4.088m |

4.2 **Capital**

The capital programme totals £90.05m for 2023/24 which includes all approvals since the budget was set. Schemes are in progress and at the time of compiling this report spend is projected to be 92% of the programme at year end which indicates there will be re-phasing into 2024/25 to complete projects.

4.3 **Corporate Income Collection**

Income collected in relation Business Rates, Council Tax and Sales Ledger are currently outside 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 2023/24 monitoring position against the budget is summarised in the table below:

| Service Area | **Budget** | **Total Variation 4.1.24** | **Movement** | **Total Current Variation** |
|---|---|---|---|---|
| | **£m** | **£m** | **£m** | **£m** |
| Prosperity & Investment | (5.389) | 0.238 | 0.000 | 0.238 |
| Finance & HR | 14.529 | (0.798) | 0.000 | (0.798) |
| Policy & Governance | 1.071 | 0.000 | 0.000 | 0.000 |
| Children's Safeguarding & Family Support | 46.105 | 3.910 | 0.178 | 4.088 |
| Education & Skills | 15.118 | (0.280) | 0.091 | (0.189) |
| Adult Social Care | 65.706 | 5.848 | 2.154 | 8.002 |
| Health & Wellbeing | 2.100 | 0.060 | (0.001) | 0.059 |
| Neighbourhood & Enforcement Services | 34.356 | (0.485) | (0.290) | (0.755) |
| Communities, Customer & Commercial Services | 5.514 | 0.555 | (0.034) | 0.521 |
| Housing, Employment & Infrastructure | 2.378 | (0.050) | (0.284) | (0.334) |
| Corporate Communications | 0.000 | (0.020) | 0.000 | (0.020) |
| Council Wide | (34.714) | (1.354) | 0.000 | (1.354) |
| **Total** | **146.774** | **7.624** | **1.813** | **9.438** |

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

| Service Area | Variance £m |
|---|---|
| **Prosperity & Investment** | |
| Fee income shortfall | +0.552 |
| One off benefit relating to NDR refunds relating to Addenbrooke House and Darby House | -0.497 |
| **Finance & HR** | |
| **Treasury** – the impact of capital spend re-profiling and positive cash flow has resulted in a projected benefit during 2023/24. | -0.500 |
| **Children's Safeguarding & Family Support** | |
| **Children In Care Placements** – additional investment required to cover cost of residential placements. 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, in particular Post 16 placements, offset by benefits from some young people being stepped down from residential placements. | +5.482 |
| **Health Funding –** anticipated health contributions in relation to health needs as a result of increased engagement with health colleagues, which partly offsets the CIC costs above. | -2.902 |
| **Children with Disabilities** – the impact of increased complexity of need requiring additional care and support provision to enable support children's needs arising from the impact of their disabilities. Health are also contributing towards these packages. | +0.426 |
| **Fostering Adoption & Permanence –** costs associated with placements, including travelling | +0.267 |
| **Family Safeguarding –**relating to costs which generally increase in line with complexity of children's needs and care planning. | +0.736 |
| **Family Safeguarding** – additional grant income and reserves to support the costs of the family safeguarding initiative. | -0.314 |
| **Education & Skills** | |
| **Transport** – there has been a significant increase in families choosing enabling modes of school travel assistance including | -0.273 |

| Service Area | Variance £m |
|---|---|
| an uptake of personal budgets that are funded via a separate grant. | |
| **Adult Social Care** | |
| **Longer Term Care Purchasing** – projected expenditure relating to block and spot contracts requiring additional investment to meet demand and fees. Additional funding from Health and additional Market Sustainability Grant have been secured to offset some of these costs (see below). | +12.272 |
| **Health Funding Contributions** – NHS funding towards above costs for clients with health needs. | -2.964 |
| **Prevention & Independence –** Staffing underspends mainly due to vacancies pending recruitment | -0.525 |
| **Prevention & Independence –** Older People & Disability – income from reimbursed direct payments | -0.378 |
| **Autism, Learning Disability & Mental Health –** direct payments income | -0.292 |
| **Autism, Learning Disability & Mental Health –** reduced reserves funding available due to additional care costs within Transforming Care Partnership | +0.284 |
| **My Options** – an in year pressure only , resulting mainly from a part rescheduling of an invest to save project , together with in year recruitment issues resulting in increased agency costs , all of which are in the process of being addressed to ensure no further or ongoing pressure. | +0.828 |
| **Prevention & Enablement** – agency cover required to deliver service | +0.330 |
| **Income** – client contributions | -0.335 |
| **Market Sustainability Grant** - additional government grant announced during the Summer. | -1.177 |
| **Neighbourhood & Enforcement Services** | |
| **Waste services –** recycling penalty deduction | -0.270 |
| **Income** – recovery of costs incurred from fire at Overdale in 2021/22 | -0.288 |

| Service Area | Variance £m |
|---|---|
| **Housing, Employment & Infrastructure**<br><br>**Income** – maximisation of grant income received | -0.262 |
| **Communities, Customer & Commercial Services**<br><br>**Housing Benefit Subsidy** – a combination of reduced recovery of overpayments, B&B spend where no subsidy can be claimed. This is a significantly improved position from 2022/23 and the service is continuing to work with providers to find long term solutions to reduce subsidy loss on an ongoing basis. | +0.518 |
| **Council Wide** – including: WME dividend and in year one off benefit from active energy contract management; pension cost benefits and inflation contingency | -1.355 |

## 5.3 CONTINGENCIES, RESERVES & BALANCES

5.3.1 The 2023/24 budget includes a general revenue contingency of £3.950m. This is set aside to meet any unforeseen expenditure or income shortfalls during the year. £1.294m was applied to fund additional investment as part of the Medium Term Strategy updated and approved in July, leaving £2.656m available for the remainder of the year.

The current projected position would require use of all of the contingency (see table in 4.1.8).

5.3.2 There is also a contingency amount held centrally for contractual inflation. Any remaining balance will be applied to support the overall position at year end.

5.3.3 A rigorous review of reserves has been undertaken including consideration of the impact of the funds no longer being available for the purpose they were originally set aside for. This has identified £6.702m which can be released to support the overall revenue position (see table in 4.1.8). This does not include any of the Budget Strategy Reserve.

## 5.4 CAPITAL

5.4.1 **2023/24 Capital Programme**
The capital programme totals £90.05m. The financial position is shown in the table below which shows projected spend is currently below budget. Budgets will be re-phased into 2024/25 as required to complete projects.

| | Approved Budget | Spend | % Spend | Year End |
|---|---|---|---|---|
| | £m | £m | | £m |
| Prosperity & Investment | 46.04 | 29.23 | 63.49% | 41.45 |
| Policy & Governance | 0.06 | 0.02 | 33.33% | 0.06 |
| Education & Skills | 9.29 | 7.23 | 77.83% | 9.29 |
| Adult Social Care | 0.99 | 0.96 | 96.97% | 0.96 |
| Neighbourhood & Enforcement Services | 17.70 | 9.99 | 56.44% | 17.70 |
| Ctties, Customer & Commercial Services | 4.82 | 2.91 | 60.37% | 4.51 |
| Housing, Employment & Infrastructure | 9.53 | 4.49 | 47.11% | 7.45 |
| Finance & Human Resources | 0.10 | 0.10 | 100.00% | 0.10 |
| Corporate Items | 1.52 | 0.05 | 3.29% | 1.52 |
| **Total** | **90.05** | **54.98** | **61.1%** | **83.03** |

5.4.2 The 2023/24 capital programme relies on £0.774m of net capital receipts as part of its funding. Capital receipts included in the medium term budget strategy are kept under continual review and any changes will be reflected in future budget projections but are currently projected to be on target.

## 6.0 CORPORATE INCOME MONITORING

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 a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

6.2 Summary collection information is shown below:

| INCOME COLLECTION – DECEMBER 2023 | | | |
|---|---|---|---|
| | **Actual** | **Target** | **Performance** |
| Council Tax Collection | 80.17% | 80.75% | 0.58% Outside target |
| NNDR Collection | 81.26% | 82.00% | 0.74% Outside target |
| Sales Ledger Outstanding Debt | 7.48% | 5.25% | 2.23% Outside target |

### 6.3 Council Tax (£109.5m)

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 2022/23 | 97.31% |
| Year End Target for 2023/24 | 97.31% |

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

| Month End Target | Month End Actual | Last year Actual |
|---|---|---|
| 80.75% | 80.17% | 80.75% |

Collection rates are slightly behind target and is likely to be a consequence of the cost of living crisis.

**6.4 NNDR-Business Rates (£75.2m)**

The % of business rates for 2023/24 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 2022/23 98.17%
Year End Target for 2023/24 98.17%

| Month End Target | Month End Actual | Last year Actual |
|---|---|---|
| 82.00% | 81.26% | 82.59% |

Collection rates are slightly behind target, and performance last year.

**6.5 Sales Ledger (£88.2m)**

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 2023/24 are as follows:

| Age of debt | Annual Target % | Dec 2023 | |
|---|---|---|---|
| | | £m | % |
| Total | 5.25 | 6.598 | 7.48 |

Sales ledger performance is outside of target. This is in part due to a large balance for NHS which has recently been raised.

## 7.0 Alternative Options

7.1 Budget holders will investigate a number of options to seek to deliver required service outcomes from within budgeted resources. Options to deliver savings and additional income have been explored.

## 8.0 Key Risks

8.1 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.

## 9.0 Council Priorities

9.1 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.

## 10.0 Financial Implications

10.1 The financial impacts are detailed throughout the report.

## 11.0 Legal and HR Implications

11.1 There are no direct legal implications 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.

11.2 Legal services will provide ongoing advice in relation to specific proposals relating to the making of savings, including on any requirement to undertake consultation as such proposals are brought forward for consideration.

## 12.0 Ward Implications

12.1 There are no impacts on specific wards

## 13.0 Health, Social and Economic Implications

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

## 14.0 Equality and Diversity Implications

14.1 There are no Equality & Diversity implications directly arising from this report. Proportionate impact assessments are carried out and a range of consultation mechanisms are used where appropriate.

## 15.0 Climate Change and Environmental Implications

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

## 16.0 Background Papers

| | | |
|---|---|---|
| 1 | Medium Term Financial Strategy 2023/24 – 2026/27 | Council 02/03/2023 |
| 2 | 2023/24 Financial Monitoring Report | Cabinet 13/07/2023<br>Council 13/07/2023 |
| 3 | 2023/24 Financial Monitoring Report | Cabinet 04/01/2024<br>Council 25/01/2024 |

## 17.0 Appendices

| | |
|---|---|
| Appendix A | Summary of 2023/24 Projected Variations |
| Appendix B | 2023/24 Revenue Variations over £50,000 |

## 18.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Director | 10/01/2024 | 10/01/2024 | MLB |
| Finance | 10/01/2024 | 11/01/2024 | PH |
| Legal | 10/01/2024 | 11/01/2024 | RP |

**APPENDIX A**

## 2023/24 Revenue Budget Variations

| Service Area | Budget | Total Variation - 4 Jan 2024 | Movement | Total Current Variation |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Prosperity & Investment | (5,389,064) | 238,005 | 0 | 238,005 |
| Finance & HR | 14,529,407 | (797,567) | 0 | (797,567) |
| Policy & Governance | 1,071,038 | 0 | 0 | 0 |
| Children's Safeguarding & Family Support | 46,105,125 | 3,909,907 | 177,898 | 4,087,805 |
| Education & Skills | 15,118,212 | (279,793) | 90,366 | (189,427) |
| Adult Social Care | 65,706,265 | 5,847,742 | 2,154,383 | 8,002,125 |
| Health & Wellbeing | 2,099,550 | 60,006 | (1,034) | 58,972 |
| Neighbourhood & Enforcement Services | 34,356,273 | (484,619) | (290,130) | (774,749) |
| Communities, Customer & Commercial Services | 5,514,481 | 555,291 | (34,036) | 521,255 |
| Housing, Employment & Infrastructure | 2,378,375 | (50,000) | (284,000) | (334,000) |
| Corporate Communications | 0 | (20,000) | 0 | (20,000) |
| Council Wide | (34,715,262) | (1,354,596) | 0 | (1,354,596) |
| **Total** | **146,774,400** | **7,624,377** | **1,813,447** | **9,437,824** |
| | **0** | | | **0** |

**2023/24 Revenue Budget Variations over £50,000**

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| | | | | |
| **Prosperity & Investment** | | | | |
| Regeneration & Investment | PIP - Income | (9,123,090) | 195,389 | PIP void pressure and Growth fund slippage. |
| | Income | (406,180) | 110,454 | MSCP income pressure from reduced footfall, same trend as 22/23. |
| P&I | Employees - 2% vacancy saving | (86,000) | 0 | Underspends shown within each SDM area. |
| Development & Planning | Employees | 3,319,320 | (169,918) | One off vacancy underspends net of agency costs of £275k. |
| | AP - Planning Delivery - Supplies & Services | 50,640 | 74,000 | Play pitch and Play strategy review required this year, no funding available and estimated Planning appeals net of one off reserve.. |
| | Income | (2,173,489) | (87,703) | Slight over delivery on income. |
| BiT | Accommodation savings target | (278,290) | 0 | |
| | Income | (3,763,730) | 552,000 | Fee income shortfall. |
| | Premises | - | (497,000) | One off refunds in respect of Addenbrooke House & Darby House relating to previous years valuations and 3 month empty allowance for Addenbrooke. |
| | Variations under £50k | 7,071,755 | 85,783 | |
| Variations Under £50k | | | (25,000) | |
| **Total Prosperity & Investment** | | **(5,389,064)** | **238,005** | |
| | | | | |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| **Finance & HR** | | | | |
| Treasury | | 12,086,539 | (500,000) | The impact of capital spend being re-profiled into future years together with positive cash flow. |
| Revenues | Employees | 1,182,560 | (84,925) | Part year vacant posts |
| Corporate & Capital Finance | Employees | 758,125 | (61,292) | Part year vacant posts |
| Housing, Community & Prosperity Finance | Employees | 741,795 | (127,563) | Part year vacant posts |
| Care & Education Finance | Employees | 1,095,630 | (65,750) | Part year vacant posts |
| Finance & HR | Employees | (77,000) | 77,000 | Vacancy Factor - covered from vacancies above |
| External Audit | External Audit Fee | 380,590 | (50,280) | Estimated underspend based on scale fee - currently subject to consultation, therefore may alter |
| Variations Under £50k | | (1,638,832) | 15,243 | |
| **Total Finance & HR** | | **14,529,407** | **(797,567)** | |
| | | | | |
| **Policy & Governance** | | | | |
| | Variations under £50k | 1,071,038 | 0 | |
| **Total Policy & Governance** | | **1,071,038** | **0** | |
| | | | | |
| **Children's Safeguarding & Family Support** | | | | |
| | CIC Placements | 24,721,829 | 5,482,223 | There are a number of pressures in this area. There are several very expensive post 16 placements, in some cases where young people are in semi-independent care arrangements but still requiring 2 or 3:1 support. There have also been a number of new residential placements since the start of the year. As part of the 2023/24 programme of savings, budgets were reduced by £550,000 for external fostering and £204,000 for Special Guardianship Orders (SGOs) but in each case a substantial overspend is forecast, of £488,000 and £536,000 respectively. External providers of placements are pushing for significant increases in the charges for care on the basis of the inflationary pressures on costs that they are experiencing. |
| | Health Funding | (3,000,000) | (2,902,076) | Part of the pressure on placements reported above is offset by a substantial increase in the health contribution expected by the service, primarily towards the costs of residential and semi-independent placements. |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| Children in Care, Leaving Care Team & Speciality Services, Family Solutions | Children with Disabilities | 1,520,258 | 426,079 | This budget was supported with £500k in-year growth, to reflect the level of ongoing expenditure, but the projections have been impacted by further increased costs as a result of increased complexity of need and the support packages required to meet children's needs arising from their disabilities and to support them to continue living safely at home. |
| | Staffing expenditure | 3,333,103 | 225,054 | Some team structures are in excess of budget available. Restructures are planned but involve a lead-in time before cost savings will take effect. |
| | Operational expenditure | 889,530 | 698,622 | The main contributor to the forecast position is costs for unaccompanied asylum seeking children (UASC) but this is covered by additional grant income from the government (see line below). Other areas of financial pressure include Section 17 costs (for children in need), taxi costs, and interpreters costs. |
| | Income | (694,087) | (691,348) | Most of this variance is due to additional UASC income, which is received from the government based on the numbers of UASCs received in the local authority and goes towards placement costs, internal staffing costs etc. Additional income has also been received from government grants relating to care leavers, etc. |
| Child Protection & Family Support, Parenting Assessment & Contact Teams | Staffing expenditure | 2,179,397 | (126,896) | Staffing vacancies have contributed to this variance. |
| Family Connect, EDT & Early Help Children & Families (Strengthening Families) | Staffing expenditure | 3,866,486 | 245,849 | Expenditure on the Emergency Duties Team is forecast to be £113,000 in excess of budget, mainly due to two posts for which one-off funding was awarded last year. A new business case is being prepared for additional funding. In addition, staffing budgets have been reduced by £150,000 pending restructure, details of which are yet to be finalised. The Family Connect restructure has been finalised but there is a lead-in time until full savings can be achieved |
| | Operational expenditure | 1,041,712 | 171,728 | There are a large number of small individual variances contributing to this figure, offset by the additional income in this area, reported below. |
| | Income | (1,536,612) | (207,210) | Most of this variance (£152K) is due to family hubs grant being utilised in this area. |
| Fostering Adoption & Permanence | Operational expenditure | 464,532 | 266,735 | Travel costs and other costs associated with placements are significant contributors to this expenditure. |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| Family Safeguarding | Staffing expenditure | 3,592,674 | (88,058) | There are a number of vacancies in the teams in this area, which have been covered by agency staff. Savings from vacancies are now forecast to more than cover the costs of these agency staff. |
| | Operational expenditure | 1,945,191 | 735,616 | Relating to costs which generally increase in line with complexity of children's needs and care planning, for example legal fees and assessment costs. |
| | Income | (150,512) | (314,347) | Additional grant / reserves have been drawn down to support the costs of the family safeguarding initiative. |
| Safeguarding Management & Partnerships | Staffing expenditure | 2,414,169 | 199,970 | The forecast overspend arises from the vacancy factor saving of £224,000 being applied to this area. |
| | Operational expenditure | 1,092,089 | 62,390 | |
| | Income | (1,145,831) | (134,391) | Additional draw down of reserves |
| Variations Under £50k | | 4,683,901 | 29,429 | |
| **Total** | | **45,217,831** | **4,079,369** | |
| Independent review | Staffing expenditure | 741,955 | (17,323) | |
| | Operational expenditure | 145,339 | 25,760 | |
| **Total Children's Safeguarding & Family Support** | | **46,105,125** | **4,087,805** | |
| | | | | |
| **Education & Skills** | | | | |
| Transport | | 4,060,938 | (273,194) | There has been a significant increase in families choosing enabling modes of school travel assistance including an uptake of personal budgets that are funded via a separate grant. |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| Arthog | | 104,935 | 150,000 | Pressure in this area arises mainly from a projected shortfall in budgeted income. In particular, achieving the targeted income from social impact contributions from local businesses is proving to be challenging in the current economic climate. |
| Insurance | | 32,455 | 75,000 | 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 | | 10,919,884 | 128,767 | |
| Variations Under £50k | | | (20,000) | |
| Use of Reserves | | | (250,000) | Rationalisation of education reserves |
| **Total Education & Skills** | | **15,118,212** | **(189,427)** | |
| | | | | |
| **Adult Social Care** | | | | |
| All long term care purchasing-Spot & block for all ages | Spot & block purchasing | 71,959,946 | 12,272,336 | Latest forecast pressure from modelled demand and rates for 23/24. Recent significant work has identified the potential for further growth in care expenditure, and period 8/9 has indeed seen growth in care expenditure as predicted. On further investigation reasons include increased numbers and care activity being purchased due to demand and impacted by increasing length of stay in those packages. Also rates paid for care continue to grow. Further close monitoring of the position continues to ascertain whether the current demand will continue to increase. This projected care expenditure is in some part offset by the additional grant shown below and the forecasted growth in Health funding where this accrues from eligible clients. |
| Health funding contributions-all ages and care types | Joint Funding | (3,536,218) | (2,963,782) | Latest forecast income from the NHS from latest identified projections of care for clients with some health needs |
| Prevention & independence - Older People & Disability | Staffing & Operational expenditure | 2,386,335 | (525,224) | Mainly from vacancies in structure due to delays in recruiting |
| | Income - reimbursed Direct Payments | (216,452) | (377,548) | Income not required recovered from Direct Payment clients |
| Autism, Learning Disability & mental health | Staffing & Operational expenditure | 1,523,858 | (114,280) | Mainly from vacancies in structure due to delays in recruiting net of agency costs |
| | Income - reimbursed Direct Payments | (393,548) | (292,452) | Income not required recovered from Direct Payment clients |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| | Transforming Care Partnership income | (564,004) | 284,000 | Reserves funding estimate to be offset against long term care will now be used on additional care costs within TCP. |
| Community Social Work-Principal Social Worker | My Options-Adults & Children's services | 1,128,856 | 827,958 | Pressure from agency staffing costs and £320k of savings which are unlikely to be delivered in 23/24. The service continue to look for opportunities for additional income/expenditure savings to offset this pressure. |
| | In House purchasing (from My Options) | 6,991,654 | (180,487) | Underspend against estimate of care expenditure |
| Community Social Work & Adult Safeguarding | Staffing & Operational expenditure | 958,816 | 100,602 | Mainly pressure from Agency cover |
| Prevention & enablement | Intermediate Care | 4,476,509 | 235,000 | The demand for reablement services and services to facilitate discharge from hospital continue at an unprecedented level. The pressure on the base budget held within the BCF is likely to be around £4m in 2023/24, with expenditure likely to be around £12m. Partner organisations are undertaking work programmes to look at alternative service delivery strategies to deal with the demand in the medium to longer term. Alongside this discussions with Shropshire, Telford & Wrekin ICB are being held on a regular basis to determine the funding strategy for the current financial year and this may result in a share of the pressure being funded by the Council to facilitate service delivery. |
| | Staffing & Operational expenditure | 1,062,684 | 309,129 | Mainly pressure from Agency cover |
| Income | Client Contributions | (10,665,430) | (334,570) | Based on current expectations of in year income. |
| Market Sustainability grant | | (1,681,500) | (1,177,000) | Additional Government grant announced at the end of July |
| | Variations under £50k | (7,725,241) | (61,557) | |
| **Total Adult Social Care** | | **65,706,265** | **8,002,125** | |
| | | | | |
| **Health & Wellbeing** | | | | |
| Coroners Court | Contracted services | 266,450 | 68,840 | Pressure on budget from services being delivered by the Coroner and associated services. Demand for Post Mortems and body conveyancing is increasing costs |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| Sexual Health | Contracted services | 0 | (59,693) | Savings identified within consumables supply contracts and initiatives |
| Public Health Grant | Underspend to Reserve | 0 | 89,651 | Underspends against public health funded budgets transferred to Public Health reserve. |
| | Variations under £50k | 1,833,100 | (39,826) | |
| **Total Health & Wellbeing** | | **2,099,550** | **58,972** | |
| | | | | |
| **Neighbourhood & Enforcement Services** | | | | |
| Highways, Engineering & Project Delivery | Income - Accidental Damage | (16,500) | (61,498) | Overachievement in income/cost recovery |
| | Winter Maintenance - flooding | 0 | 114,000 | Additional spend to support deployment of flood barriers |
| | Various - Street Lighting (special fund) | 603,270 | 141,184 | Net overspend on special fund street lighting due to increased maintenance and energy costs |
| | Various - Street Lighting (special fund) | 0 | (141,184) | Allocation of special fund reserves to fund overspend on Street lighting |
| Strategic Transport & Highway Network Management | Income - NRSWA – New Roads & Streetworks Act | | | Overachievement in street works permitting income. |
| | Concessionary Travel | 1,791,980 | (145,857) | Reduction in Operating Costs |
| Waste & Neighbourhood Services | Various | 16,376,650 | (270,323) | Recycling penalty deduction relating to recycling performance for 2022/23 |
| | Business Support | (26,790) | (79,227) | Vacancy management and use of grant funding for the administration of resettlement/Refugee grants |
| Safer & Stronger Communities | Syrian Refugee Programme | 0 | (150,000) | Release of grant monies held in reserves |
| Highways, Engineering & Project Delivery | Income | 0 | (288,000) | Income due as a result of fire at Overdale in 2021/22 |
| | Other variations under £50k | 15,627,663 | 106,157 | |
| **Total Neighbourhood & Enforcement Services** | | **34,356,273** | **(774,749)** | |
| | | | | |
| **Communities, Customer & Commercial Services** | | | | |
| IDT Corporate | Employees | 3,195,235 | (136,466) | Vacancy management. |
| IDT Telephone Recharges | Various | (175,280) | 98,840 | Income shortfalls. |

| Description | | Budget<br>£ | Total Variation<br>£ | Comments |
|---|---|---|---|---|
| Customer Relationships & Welfare Services | HB Subsidy | (190,000) | 518,787 | A combination of reduced recovery of overpayments and B&B spend where no subsidy can be claimed. The latest position includes an adjustment to reflect the impact of the bad debt provision. The service is continuing to work with providers to find long-term solutions to reduce subsidy loss on an ongoing basis including minimising B& B use |
| Housing Benefit/Council Tax Support Team: | Supplies & Services | 158,888 | (61,227) | Projected savings on Print and Postage costs. |
| Communities, Customer & Commercial Services Director | Employees | (241,000) | 241,000 | 2% Vacancy target - being met from underspends reported in areas across the service, some of which is contained within the variations below £50k |
| | Other variations under £50k | 873,533 | (30,679) | |
| Use of Reserves | Income | | (109,000) | Release of On Your Side Funding not required in 23/24 |
| **Total Communities, Customer & Commercial Services** | | **5,514,481** | **521,255** | |
| | | | | |
| **Housing, Employment & Infrastructure** | | | | |
| Strategic Housing & Regeneration | Income | (324,000) | 245,000 | £245k pressure arising from HIF cost of borrowing due to phasing of schemes offset by unallocated cost of borrowing from B&B business case. |
| | Employees | | (102,000) | Capitalisation of posts |
| | Income | | (262,000) | Maximisation of grant income |
| | Variations under £50k | 2,702,375 | (215,000) | Through one off underspends across a number of areas a further £100k has been released for period 8, however close monitoring will be required to assess the impact of cold weather triggering severe weather emergency protocol (SWEP) and increase in B&B use along with prevention support, impacting this position |
| **Total Housing, Employment & Infrastructure** | | **2,378,375** | **(334,000)** | |
| | | | | |
| **Corporate Communications** | | | | |
| | Variations under £50k | 0 | (20,000) | Underspend on staffing |
| **Total Corporate Communications** | | **0** | **(20,000)** | |
| | | | | |
| **Corporate** | | | | |
| Council Wide | | (34,425,262) | (940,000) | Council Wide benefits including inflation contingency and pensions |
| WME Dividend | | (290,000) | (294,000) | Dividend payment due October 2023 higher than budgeted together with a one off benefit relating to a successful challenge in relation to electricity charges by WME. |

| Description | | Budget | Total Variation | Comments |
|---|---|---|---|---|
| | | £ | £ | |
| Pension Pre-payment discount | | | (140,000) | Discount higher than budgeted |
| | Variations under £50k | | 19,404 | |
| **Total Corporate** | | **(34,715,262)** | **(1,354,596)** | |
| | | | | |
| **Total** | | **146,774,400** | **9,437,824** | |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council report

## 29 February 2024

## Medium Term Financial Strategy 2024/25- 2027/28

| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources. |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Michelle Brockway - Interim Director: Finance & Human Resources. |
| **Officer Contact Details:** | **Tel:** 01952 383100<br>**Email:** michelle.brockway@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Key Decision |
| **Forward Plan:** | Yes – 8 November 2023 |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024<br>Full Council – 29 February 2024 |

### 1.0 Recommendations for decision/noting:

1.1 It is recommended that Cabinet Members approve the following recommendations for consideration by full Council on 29 February 2024

when final decisions will be taken and the council tax levels for each parish area will be set:

1.1.1 The Medium-Term Financial Strategy (MTFS) for 2024/25 – 2027/28 and the budget framework for 2024/25 set out in this suite of reports.

1.1.2 A council tax increase of 4.99% for 2024/25 including the Government's 2% Adult Social Care precept, which will be fully invested in the provision of social care services for the most vulnerable members of our community.

1.1.3 The net investments of £5.9m into Adult Social Care in 2024/25.

1.1.4 The net investment of £7.6m into Children's Safeguarding in 2024/25.

1.1.5 The budget savings listed in Appendix 10 totalling £17.567m in 2024/25.

1.1.6 The continuation of work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to deliver and to note the availability of the Invest to Save/Capacity Fund which is available to support partnership working.

1.1.7 The base budget in Appendix 8.

1.1.8 The policy framework for Reserves and Balances and their planned use outlined in Appendix 6.

1.1.9 The Risk Register at Appendix 14.

1.1.10 The endorsement of the Council Tax Reduction Scheme a link to which is included within Appendix 16, for adoption by Full Council on 29 February 2024, ready for implementation on 1 April 2024.

1.1.11 The continuation of the Council Tax Reduction Hardship Assistance Policy, also within Appendix 16.

1.1.12 The revenue implications of the medium-term capital programme for the period 2024/25 – 2027/28 set out in the Capital Strategy and Programme reports also on this agenda.

1.1.13 To grant delegated authority to the Director: Finance & Human Resources, after consultation with the Cabinet Member for Finance, Governance and Customer Service to action any virements required following the final allocation of the Dedicated Schools Grant and other Grants and following completion of NNDR1 and final estimates of Business Rates Income.

1.1.14 To grant delegated authority to the Director: Adult Social Care after consultation with the Cabinet Member for Adult Social Care and Health Integration and Transformation, to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended).

1.1.15 The authorisation of Director: Policy & Governance to execute all necessary contract documentation including affixing of the common seal of the council as appropriate to enable the council to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended).

1.1.16 To grant delegated authority to the Director: Finance & Human Resources, in consultation with the Leader or relevant Cabinet Member to allocate

funding from the £20m Capital investment fund referred to in paragraph 4.6 of the report.

1.1.17 This suite of MTFS reports as the Council's Efficiency Strategy for 2024/25, including the document at appendix 13, to enable new capital receipts to be used to fund the revenue costs of transformation and efficiency projects as assumed throughout these reports.

1.1.18 To grant delegated authority to the Director: Finance & H.R. after consultation with the Cabinet Member for Finance, Governance & Customer Services to amend the use of the contingency in 2024/25 and to make any other associated adjustments to accommodate any difference in funding between that currently assumed and final grant allocations when received.

1.1.19 Delegation of authority to the Director: Finance & H.R. after consultation with the Cabinet Member for Finance, Governance & Customer Services to make changes to the Medium-Term Financial strategy with immediate effect to reflect all grants received from Government with authority to incur associated spend.

1.1.20 The Pay Policy for 2024/25 included as Appendix 17.

1.1.21 The application of a 100% council tax premium to second homes from 1 April 2025 provided that the necessary legislation is in place by that date and delegation of authority to the Director: Finance & H.R. to finalise the detailed policies required after consultation with the Cabinet Member for Finance, Governance & Customer Service, irrespective of when legislation comes into force.

1.1.22 The additional recommendations contained in other reports included in this suite of Medium-Term Financial Strategy reports included on this agenda.

**1.2 Members are asked to note:**

1.2.1 The unprecedented financial pressures being faced by local authorities across the country and the high level of uncertainty relating to the medium-term financial outlook for Telford & Wrekin Council due to:

- The escalating costs of, and demand for, many Council services but particularly Adult Social Care and safeguarding vulnerable children,
- National and international economic pressures resulting in an extremely challenging financial outlook for U.K. public services,
- The Government's one-year final local government finance settlement not extending beyond the end of March 2025,
- The impact of the significant potential changes to the local government finance system which have now been discussed by the Government for many years remain a major uncertainty. As does the potential impact of Adult Social Care funding reforms which have been delayed until October 2025.

1.2.2 That this high level of uncertainty requires the Council to retain flexibility by limiting new ongoing investments to our highest priorities whilst identifying

significant ongoing additional budget savings to ensure a balanced budget for next year and over the medium-term.

1.2.3 The initial projections for the potential budget gap included in this report through to 2027/28 and that these will continue to be updated as additional information becomes available and that work will commence to identify options for how the future gap can be met.

1.2.4 The CFO's robustness statement in Appendix 15.

## 2.0 Purpose of Report

2.1 This report seeks approval of the Council's Medium-Term Financial Strategy for the four years 2024/25 – 2027/28. This overview report, along with other linked reports on the agenda including:

- The Capital Strategy
- The Medium-Term Capital Programme
- The Investment Strategy
- The Treasury Management Strategy and
- The Prudential Indicators report

together, form the Council's overall Medium-Term Financial Strategy for the next four years and the budget framework for 2024/25.

2.2 The report builds on the MTFS report considered at Cabinet on 4 January 2024 which has been subject to public consultation and scrutiny by members of the Council's cross-party Business & Finance Scrutiny Committee since that date. The January report was itself an update of the Council's 4-year MTFS approved at full Council on 2 March 2023 and this report remains consistent both with that strategy and the approach to prudent and successful financial management exercised by the Council for many years throughout an unprecedented and protracted period of severe financial constraint.

## 3.0 Background

3.1 The current MTFS, which covered the 4-year period to 2026/27, was approved at full Council on 2 March 2023. This included the 2023/24 revenue budget and medium-term capital programme.

3.2 Since this time, many councils have reported significant pressures in their financial monitoring reports arising from increases in demand for key services and higher costs particularly for provision of social care. Telford & Wrekin Council is also facing very significant budget challenges arising from increasing costs and increasing demand for services. However, Telford & Wrekin Council has a long track record of sound financial management and has demonstrated an ability to take the robust decisions needed to ensure long-term financial sustainability – although this necessitates difficult choices

relating to further cuts to staffing necessitating redundancies, reductions to some services, reviewing fees and charges and the level of council tax increase.

3.3 The Financial Monitoring Report for 2023/24 also on this agenda provides the latest projections in relation to the outturn position for the current year. Most, if not all, of the pressures we face in the current year are of an ongoing nature and are likely to increase in future years.

3.4 The Government's budget announcement in November 2022 resulted in increased taxes and cuts to public spending being made. This set the framework within which DLUHC set it's one-year provisional funding settlement for local government for 2023/24 which was announced on 19 December 2022. The Autumn Statement announced by the Chancellor of the Exchequer on 22 November 2023 was extremely disappointing for local government with no recognition of the extreme challenges being faced by councils after more than a decade of austerity, in particular for those with responsibility for social care services.

3.5 The very tight national government funding position, the rate of inflation which remains high, significant cost of living pressures facing our residents and higher interest rates together with major uncertainties over the future economic outlook and over when and what changes will finally be made to the local government finance system create the context within which we must now consider our MTFS proposals. Given the high levels of uncertainty, the one-year settlement provided by the Government, the Council is proposing setting a detailed budget for 2024/25 only but within the context of a four-year MTFS.

3.6 Despite the exceptional level of uncertainty, as a large complex organisation delivering many essential services to our community, we need to plan over a medium-term period. This is particularly the case for large capital projects which may take more than one year to complete. Therefore, this report sets out a MTFS covering the period 2024/25 to 2027/28. However, due to the high levels of uncertainty and the one-year settlement from Government, projections beyond next year are indicative and will be regularly updated as further information becomes available.

## 4.0 Summary of main proposals

4.1 The Council has a long track record of sustained strong and effective financial management and has demonstrated a willingness to take difficult decisions when required. Despite having to deliver £156.9m of ongoing annual budget savings by the end the current financial year since the start of the Government's austerity programme, the Council has continued to manage its budget effectively.

4.2 However, due to the current high levels of financial pressure arising from the increased demand for and cost of both Adult Social Care and Children's Safeguarding services and the uncertainty facing the Council, this report

recommends a council tax increase of 4.99%. All of the funding raised through the council tax increase will be invested in the provision of Social Care services for the most vulnerable children and adults in our community. In 2023/24, Telford & Wrekin Council has the lowest level of council tax for the services that this council provides in both the West and East Midlands and one of the lowest levels of council tax out of all English shire unitary authorities. Council tax comparisons are included in Appendices 1 and 2. At Band D (the national comparator) council tax in Telford and Wrekin for the services that we provide is £588.96 less pa than in Nottingham. Council tax in the Midlands is, on average, 18.9% higher than in Telford & Wrekin (£276.24pa more at Band D for the services that this Council is responsible for). Even after the proposed council tax increase which will cost the average resident (Band B property) £1.09 per week, it is likely that the Council will still have the lowest council tax in the midlands for the services that it provides. The increase in the total bill for each household will be affected by the decisions of the Police & Crime Commissioner, The Fire Authority and individual town and parish councils.




4.3 As part of the proposed council tax increase, the Council will apply the Government's 2% Adult Social Care precept for next year. However, all of the funding generated from the total 4.99% council tax increase will be invested in the provision of social care services to support the most vulnerable people in our community. The council tax increase will raise £4.04m towards the £13.5m additional investment that is required into our Adult Social Care and Children's Safeguarding and Family Support services next year with the additional investment required being funded through further budget savings including further reductions to staffing budgets.

4.4 As well as the £5.9m additional net ongoing investment into Adult Social Care, the MTFS also makes provision for additional net investment into children's safeguarding of £7.6m next year. The Council's net budget for Children's Safeguarding next year will be nearly £49m and for Adult Social Care the net budget will be over £68m giving a total commitment to these two key areas of over £117m. equivalent to over two thirds of the total net revenue base budget.

4.5 The scope for additional ongoing revenue investments next year is limited, as further investments in other priorities would require more budget savings to be identified. However, several pressure areas have been addressed during development of the MTFS to ensure that the proposed budget is robust and sustainable.

4.6 The proposed medium-term capital investment programme totals £420m and is set out in a separate report in this suite of MTFS papers. This includes:

- Over £100m investment to expand Nuplace and Telford & Wrekin Homes providing further high-quality homes for local people to rent from a responsible and responsive landlord,
- Over £65m to support further Growth Fund initiatives bringing new employment opportunities to the Borough,
- A new £20m Capital investment fund to be allocated over the coming 4 years by the Cabinet to key community priorities with delegated authority to be granted to the Director: Finance & Human Resources in consultation with the Leader or relevant Cabinet Member to allocate funding to specific projects.
- Over £31m for transport and Highways schemes,
- Over £40m for education capital projects including investment in school expansion projects to increase pupil places
- £9.7m for affordable and specialist housing programmes
- Over £10.8m for a range of housing initiatives, including affordable warmth, empty properties, rough sleeper, disabled facility grants and temporary accommodation.
- £8.7m for a new swimming pool
- £0.9m funding to progress development of “stalled sites”.
- Over £35m for Towns Fund projects
- Over £37m for “Levelling-Up Fund” and Capital Regeneration Fund projects
- Over £2.7m for Pride in Your High Street schemes
- £1.17m for Environmental Improvements/ Enhancements and
- £2.19m for Climate change initiatives to support work to reduce the Council’s carbon footprint and partnering with government and others on other climate change projects.

4.7 Some of the investments highlighted above also generate a financial benefit, as well as fulfilling their primary purpose. For example, NuPlace which provides high quality homes for rent from a reliable landlord, mainly at market rent levels and has enabled brownfield sites to be brought back into use and investment in the Property Investment Portfolio (PIP) to attract and retain jobs for local people and to provide other regeneration benefits for our residents. An ancillary consequence of both these investments is that it is anticipated they will bring long term capital growth which will strengthen the Council’s balance sheet as well as generating revenue returns well in excess of the associated loan repayment charges. They will also bring other direct and indirect financial and other benefits to the residents of the Borough including additional income from council tax, business rates and new homes bonus which will be used to help front line services such as Adult Social Care, as well as protecting and creating jobs for local people.

4.8 However, of course, we cannot continue to deliver everything that we do currently in exactly the same ways as we have done previously and need to continue to make savings where we can. Since 2009/10 the Council has delivered savings totalling £156.9m, this report contains details of our approach to identifying savings opportunities and to consultation and

engagement on these proposals so that we minimise their impacts as far as possible. The report also puts forward new proposals that will deliver ongoing savings, including from additional income, of £15.8m during 2024/25. Despite the significant budget savings that we have had to make, the Council is still a large organisation delivering many services to local people and it is essential that we use our remaining revenue and capital resources as effectively as possible to deliver the greatest possible benefit for local people. The Council has consistently said that it will continue to protect the most vulnerable in our society and prioritise the protection of services to vulnerable adults and children in our community. The Council is committed to ensuring that we always meet the assessed needs of vulnerable people as we make changes to services, we will always place priority on these essential services and will not let financial pressures mean that we fail to meet the assessed statutory needs of vulnerable residents.

4.9 The Council will retain specific reserves and provisions to make prudent provision for likely risks including insurance excesses, bad debts etc. £21.7m has been retained in the Budget Strategy Reserve and the General and Special Fund balances totalled £4.7m at the start of the current financial year. Further details of the reserves and provisions held by the Council are included at Appendix 6.

4.10 A consultation period on the proposals included in this report was open from 5 January 2024 through to 4 February 2024. The Business & Finance Scrutiny Committee also scrutinised the budget proposals, but no alternative budget proposals put forward by any Opposition group for the Committee to scrutinise.

## 5.0 Robustness of the Budget Strategy

5.1 The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer (CFO) is required to report on the adequacy of the Council's reserves and balances and on the Council's financial strategy including the use of balances and of the financial planning process.

5.2 Appendix 15 gives a more detailed view, but overall:

- given the continued successful delivery of savings which will total £156.9m by the end of this year,
- the long-term service redesign, particularly in relation to Adults and Children's services,
- the more commercial approach to some services being adopted, and the investment being made in the borough,

It is considered that the Council is pursuing a sound financial strategy, particularly in the context of the more prolonged and challenging financial position it has ever faced due to the combined long-term effects of Government Grant cuts, inflation and increased service pressures. Further, it is considered that the Council maintains an adequate level of reserves and

provisions and has an appropriate medium-term strategy for the use of reserves.

## 6.0 National Context.

6.1 When the coalition Government was formed in May 2010, they committed to eliminating the national budget deficit which required very significant cuts in public spending and a period of severe financial constraint for the Council commenced. Local authorities were particularly affected by funding cuts during this period because the Government protected many other areas of public spending – but not local government.

6.2 At the same time, Adult Social Care and Children's Safeguarding services, in particular, but also other local government services have faced significant additional pressures e.g., from the increase in the number of older people needing access to social care services and specialist care. Telford & Wrekin is seeing particularly large increases in the number of older people linked to the development of the new town and young families moving to the area from the late 1960s onwards as Telford started to develop, increasing numbers of whom need support as they age.

6.3 In recent years, as the Government cut funding for local authorities, they assumed that councils would increase council tax by the maximum permitted up to the referendum limit, including the introduction of the Adult Social Care precept. This has seen a direct transfer of the responsibility for funding local government services from grants provided by central government to council taxpayers. As a Council with a comparatively low level of Council Tax (see appendices 1 and 2) and the majority of properties in Bands A and B a 1% Council Tax increase raises significantly less than in an area which has a high level of Council Tax and has a large proportion of properties in higher Council Tax bands.

6.4 The severe financial constraints applied by the Government to local authorities during the prolonged period of austerity has resulted in increasing numbers of councils in other parts of the country having to issue "section 114 notices" and take extreme measures to restore financial stability. Locally, in the face of increasing demands for key services at the same time as we have been subject to cuts in our funding from Government, the Council has exercised very active budget management and financial control by Cabinet Members and officers across the Council. The Council has demonstrated a consistently strong track record of sound financial management for over 15 years despite having to deliver £156.9m ongoing annual budget savings by the end of 2023/24.

6.5 CSR 2010 established the initial path of reductions to local government grant funding and introduced the Council Tax Freeze Grant and New Homes Bonus. CSR 2013 continued on this trajectory and introduced the Better Care Fund. CSR 2015 saw the scrapping of the Council Tax Freeze grant, and the introduction of referendum limits for Council Tax and the introduction of the Adult Social Care Precept.

6.6 In October 2021, as Chancellor of the Exchequer, Rishi Sunak MP, the Chancellor announced the Government's Autumn Budget and CSR2021 - the first multi-year spending review since 2015. CSR2021 set revenue and capital budgets for 2022/23 to 2024/25. This outlined the Government's revenue and capital spending plans for the three years 2022/23 – 2024/25 by setting budgets for each central government department.

6.7 CSR2021 assumed that councils would apply the maximum council tax increase allowable before a referendum is held and also made an assumption of continued growth in the tax base to reflect new properties being constructed.

6.8 The Government issued a budget announcement on 17 November 2022 which resulted in increased taxes and cuts to public spending being announced. This set the framework within which DLUHC set it's one-year provisional funding settlement for local government for 2023/24 which was announced on 19 December 2022.

6.9 On 22 November 2023 the Chancellor announced the Autumn Statement which was extremely disappointing for local government with no recognition of the extreme challenges being faced by councils after more than a decade of austerity, in particular for those with responsibility for social care services.

## 7.0 Key Areas of Uncertainty

### 7.1 Reform of the Local Government Financial System

7.1.1 Significant changes were made to the local government finance system from 2013/14 including the localisation of a share of business rates, the replacement of the national Council Tax benefit scheme with local Council Tax Support schemes and the transfer of responsibility for Public Health services from the NHS to councils with the introduction of a ring-fenced Public Health Grant funded by the Department of Health and Social Care. This current local government finance system represented a significant transfer of risk from the Government to councils but also brought opportunities and incentives to encourage growth in local communities in line with the Government's national drive to increase the availability of housing and jobs. This Council is well placed to benefit from the current financial system with an attractive environment, good motorway connections and ready to go development sites. We have grasped the challenge to become a "Business Supporting, Business Winning" Council.

7.1.2 The funding outlook beyond next year is very uncertain. Radical changes were proposed by the Government to the local government finance system which were all due to come in to effect in April 2020. However, these changes were delayed by the Government with a revised target implementation date of April 2021. Progress stalled due to the pandemic and the proposed changes were deferred again. Following the Autumn Statement in November 2022 it became apparent that the changes would be

delayed again. Whilst it is clear that the earliest that any major changes will now be implemented is April 2025, there is currently no commitment to exactly what changes will be implemented or when this might happen which hampers longer-term financial planning for the local government sector.

7.1.3 The Government have again, for the sixth consecutive year, only provided a one-year local government finance settlement. Combined with the uncertainty around what changes may be made to the local government finance system, it is very unlikely that the Council will have any real clarity on its funding for 2025/26 and later years until we receive our settlement in December 2024, less than 4 months before the start of the financial year which has now been the case for six years which clearly makes medium term financial planning exceptionally difficult. It is therefore essential that the Council maintains financial flexibility so that it is able to set a legal, balanced budget should the actual position be significantly different from the tentative projections included in this report for future years. The changes to the local government finance system that are being considered will potentially have very significant implications for the Council and could include:

- The “fair funding review” which will create a new formula to assess relative needs which will impact on the distribution of available resources between councils.
- Potential changes to the business rates system.
- The “reset of the local government finance system” which would see the benefits of all growth in business rates and council tax income since 2013/14 rebased across the country. This could see 100% of the growth that we have seen lost immediately or a lower percentage given up which could be phased over a number of years. Whilst we would lose the benefit from growth in our area, we would benefit from a share of the growth achieved in other parts of the country.
- The inclusion of data from the 2021 census to update the data from the 2011 census which is still currently in use. The impact of this on the Council will depend on how key data for settlement purposes (such as population) have changed compared to the national average.
- The future arrangements for the New Homes Bonus (NHB) scheme including whether any such scheme is available in future. The Government have again deferred the introduction of a new system and have rolled forward the approach used in 2023/24. However, a new system is expected to be introduced at some point in the future which could impact significantly on the Council as New Homes Bonus is a significant funding stream for the Council.

7.1.4 The Council will continue to take opportunities to respond through all available consultation processes linked to the introduction of these changes to lobby for a fair funding settlement for Telford & Wrekin residents. The Council will also send a response to the provisional settlement. All consultation responses will be agreed by the Cabinet Member for Finance, Customer Services & Governance.

7.2 **Other areas of uncertainty:**

- It should be noted that a new comprehensive spending review will be carried out, probably during 2024 or 2025 following the next general election and that there is therefore no certainty over funding allocations beyond 2024/25.
- The rate of inflation continues to place pressure on Council budgets as do increased interest rates set by the Bank of England in order to reduce inflation rates. Higher interest rates and the high level of the Government's national budget deficit impact on the economy resulting in reduced construction of new homes and business premises and could result in a recession. This could impact on the generation of assumed capital receipt values and on Council budgets for local Council Tax support (if unemployment increases or household incomes fall) and the budgets for homelessness, housing benefit etc.
- The impact on commercial income from loss of business through external factors
- The levels of demand for key front-line services – particularly children's safeguarding and Adult Social Care services and whether the Government will make new additional and sustainable funding available for these services.
- The levels of pay awards from April 2024 and future years.
- The pension fund is subject to triennial re-valuations with the next valuation to be based on the position for assets and liabilities as at 31 March 2025. Any change to the employer's contribution rate will be effective from April 2026. The performance of the investments held by the Pension Fund and the assumptions used by the actuaries to assess the potential liabilities of the fund could have a significant impact on the Council's revenue budget.
- The significant number and value of appeals against rateable values yet to be considered by the Government's Valuation Office agency against the existing valuation list as well as new appeals that may be lodged against the updated valuations is a significant risk to the Council. The Council's budget includes allowance for potential appeals. However, successful appeals may be higher, or lower, than provided for. Successful appeals impact on the Council's budget by reducing the income from business rates and potentially making repayments if appeals are backdated.
- Projections of what the council's budget gap might be in 2025/26 and later years are therefore extremely difficult to make and have a very high degree of uncertainty. Projections are based on the Council's budget model which will be regularly refined and updated as and when additional information becomes available. It is however certain that the actual position will be different from the projections for 2024/25 and later years included in this report.

## 8.0 Autumn Budget Statement November 2023

8.1 On 22 November 2023, the Chancellor presented his 2023 Autumn Statement to the House of Commons, alongside the publication of the Office for Budget Responsibility's new set of Economic and Fiscal Outlook forecasts. The Autumn Statement responds to the Office for Budget

Responsibility (OBR) forecasts and sets out the medium-term path for public finances.

8.2 The most relevant Autumn Statement announcements to English local authorities include: -

- Planned departmental resource spending for the years beyond the current Spending Review period (2025/26 to 2028/29) will continue to grow at 1% a year on average in real terms, excluding the funding provided to local authorities in 2024-25 as part of the one-year Retail, Hospitality, and Leisure relief scheme.
- For 2024-25, the small business multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be uprated by September CPI to 54.6p. 2.5. The current 75% relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024-25. Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.
- Local Housing Allowance rates in Great Britain will be raised to the 30th percentile of local market rents.
- DLUHC will bring forward plans for authorities to offer guaranteed accelerated decision dates for major developments in England in exchange for a fee, ensuring refunds are given where deadlines are not met and limiting use of extension of time agreements.

8.3 The OBR has warned that outside ringfenced areas, such as the NHS, defence and schools, spending for unprotected departments would need to fall by 2.3% a year in real terms from 2025-26 if the government maintained its current plans for funding public services.

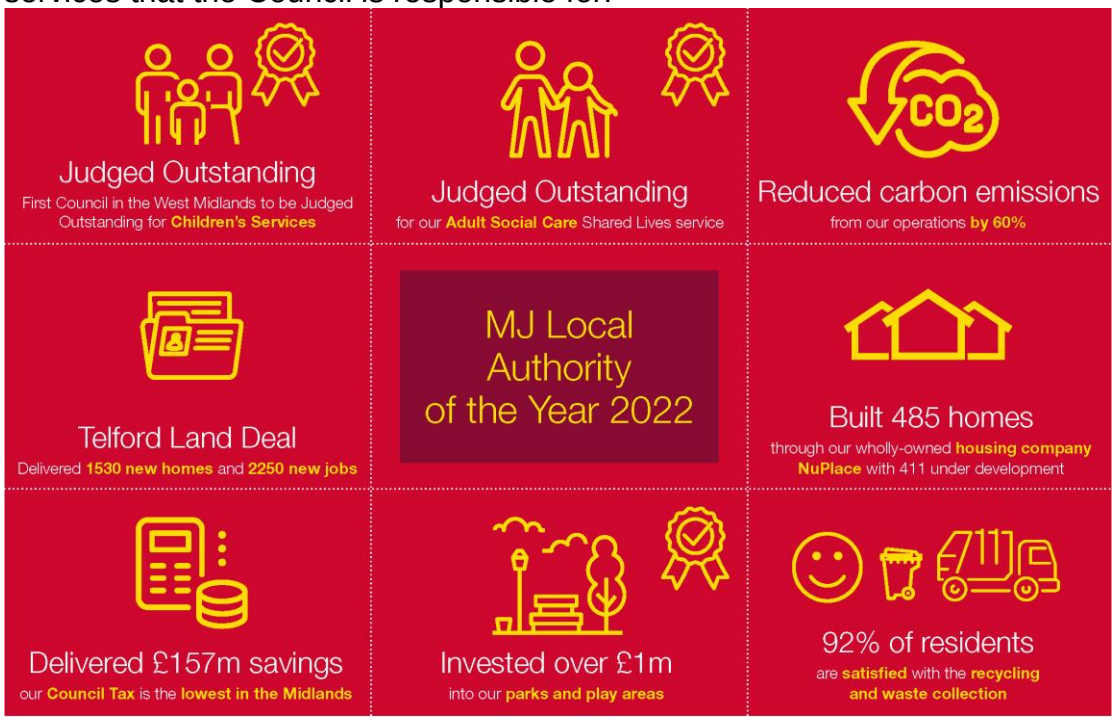
8.4 The OBR highlighted that local authority spending had fallen from 7.4% to 5% of GDP from 2011 to now, and forecast this would fall further, to 4.6% by 2028-29.

8.5 In its response, the LGA said that "*the evidence of the financial strain on councils has been growing and it is hugely disappointing that today's Autumn Statement has failed to provide funding needed to protect the services the people in our communities rely on every day…we were disappointed by the lack of reference to children's services, funding for early years and support for pupils with Special Educational Needs and Disabilities (SEND*" and that "*It is disappointing and concerning that the Autumn Statement provides no new investment for adult social care"*

8.6 Disappointingly, the Autumn Statement did not give any indication of when the local government finance settlement would be announced or when the next Comprehensive Spending Review would be undertaken.

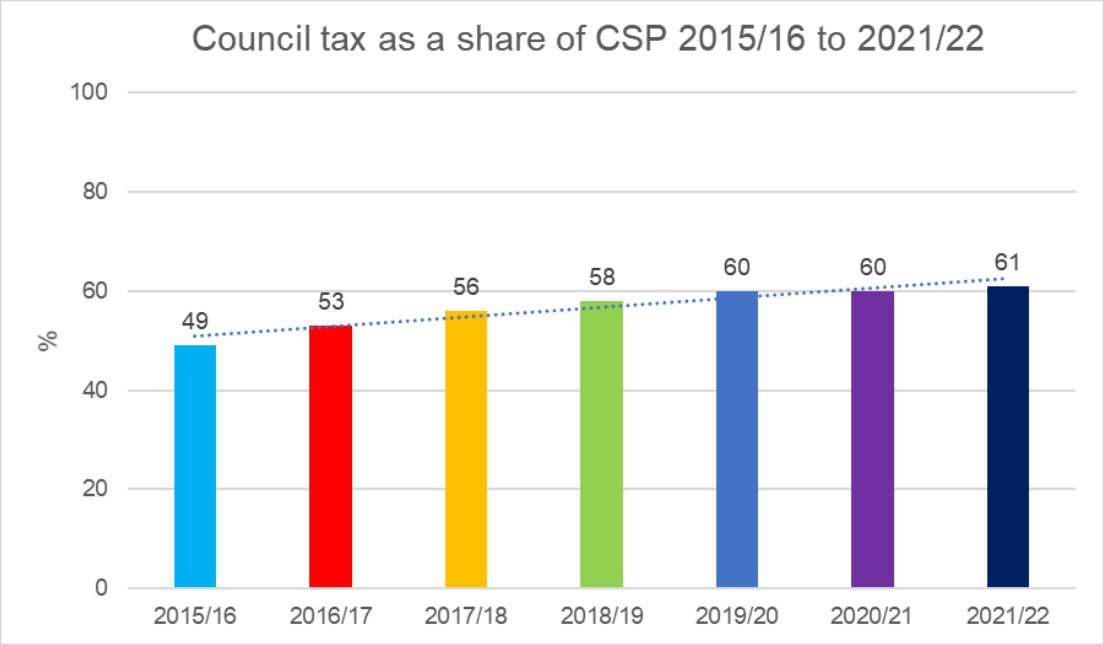
## 9.0 Local Context

9.1 Telford & Wrekin Council is a high performing local authority providing good quality services for the lowest council tax in the Midlands region for the services that the Council is responsible for:

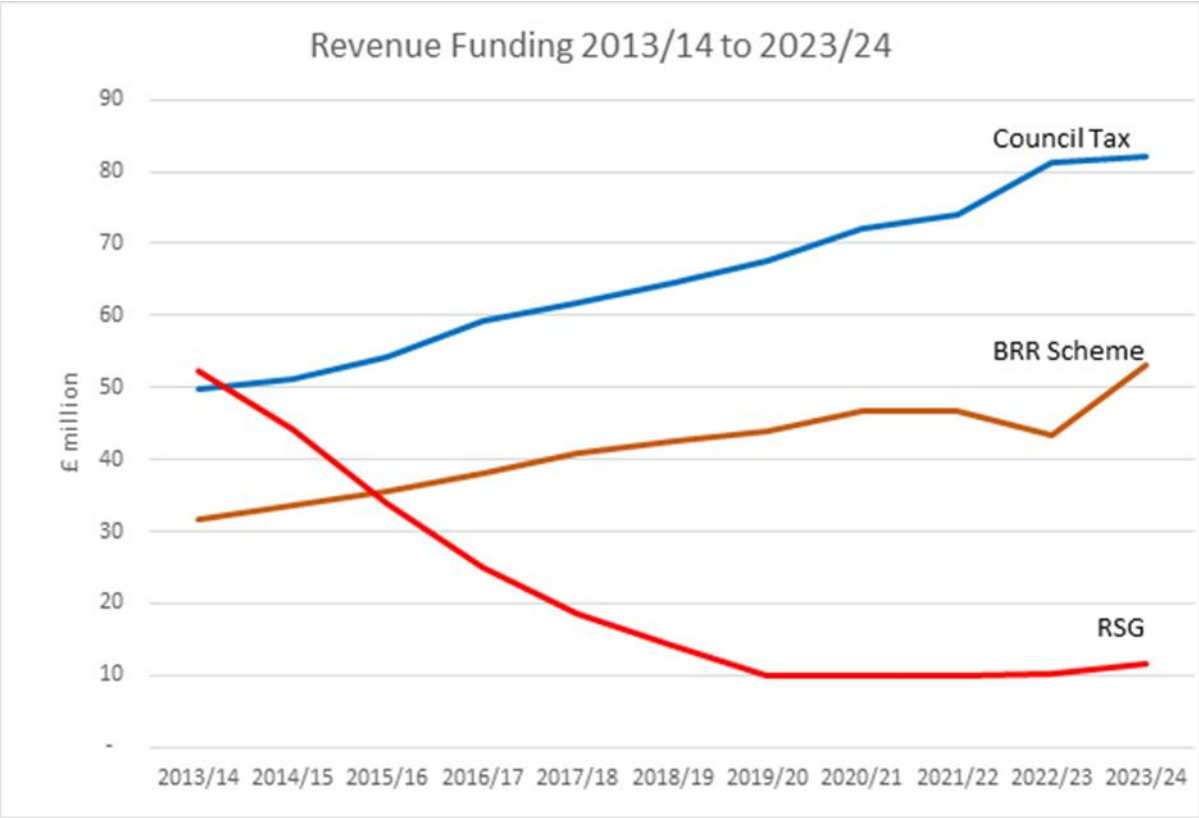



9.2 However, the Government's comparatively low priority for local government compared to other parts of the public sector in recent years has seen funding provided from the government reduce significantly with a deliberate shift in national Government policy to increase the proportion of local government services funded from council tax and other locally derived income sources.

9.3 In their briefing paper: "Local Government Funding Reform Decisions and Options" LgFutures highlight that the "*council tax share of Core Spending Power (CSP) rose from 49% nationally in 2015/16 to a projected 61% in 2021/22*" as shown in the chart that they have produced, and which is copied below.




9.4 Locally, the impact of this policy shift is demonstrated in the graph below.




9.5 The amount of Revenue Support Grant (RSG) has fallen from over £50m in 2013/14, when it exceeded the amount raised from council tax, to £11.6m in 2023/24. During this period demand for many services has been increasing and inflationary pressures have also increased costs. As can be seen from the graph, the proportion raised from council tax has been increasing. The

reduction to RSG is clearly even greater in real terms given the high rates of inflation seen in recent years.

9.6 In 2013/14 39% of the net budget was funded from RSG and 37% was funded from council tax. In 2023/24 only 8% was funded from RSG and 56% funded from council tax. However, throughout this period the council has maintained one of the lowest levels of council tax for the services that this Council provides in both the West and East Midlands, indeed it has been the lowest in the region for the last 6 years.

9.7 As well as a withdrawal of central government funding over many years, the introduction of the existing local government finance system in 2013/14 saw a significant transfer of risk to local authorities. This included the introduction of local "Council Tax Support" rather than centrally funded "Council Tax Benefits" and local retention of business rates. If the economy enters a recession and potentially the unemployment rate increases, or incomes decrease it is possible that we will see increased costs arising from our local council tax reduction (CTR) scheme.

9.8 As a large complex organisation delivering a huge variety of essential services and also one that continues to face significant financial pressures and many uncertainties, it is highly desirable that the Council should have a financial strategy that covers the medium term. However, it is clearly very difficult to produce meaningful future projections of resource availability in the absence of medium term funding settlements for local authorities from the Government particularly given the added dimension of continuing uncertainty over potential changes to the local government finance system that have been deferred on many occasions but remain likely to be implemented at some point and also the impact of data changes when the 2021 census data is incorporated into the funding settlement calculations. Despite this uncertainty, we have to make the best projections that we can and ensure that we seek to identify approaches to reduce reliance on government funding, ensure that an appropriate level of reserves and contingencies is maintained by the Council and that the Council maintains its long track record of sound financial management by making realistic budget assumptions, through comprehensive regular financial monitoring and updating the Council's medium term budget model as additional information becomes available..

9.9 The Council has sought to offset part of the loss of Government grant by generating income by adopting a more commercial approach to many existing services. We have sought to ensure that this approach spreads fixed costs, maximises use of any spare capacity and where possible brings environmental, social, or economic benefits to our residents. We were the second council nationally to open a commercial solar farm and are continuing to invest in NuPlace, a wholly owned company, which offers high quality homes, mainly at market rents.




9.10 Primarily NuPlace was established to increase the supply of private rented accommodation in the area, to regenerate brown field sites that the Council had been unable to sell and to drive-up standards in the wider private rented sector by offering a high-quality alternative to private tenants. However, NuPlace also generates a surplus after paying all associated costs. The profit is used to help reduce the amount of cuts that we would otherwise have to make to the front-line services that the Council provides to our community. This MTFS includes proposals for further investment into NuPlace and also in Telford & Wrekin Homes.




9.11 The Council is also committed to investing in the Borough's future. Ensuring that the Borough is an attractive place to live, work, learn and visit is essential if we are to attract new businesses that will create jobs and bring prosperity to the area and the people that live here. The Council also benefits from retaining a share of any additional business rates (between "reset periods") which also helps to minimise the cuts that we have to make to front-line services.

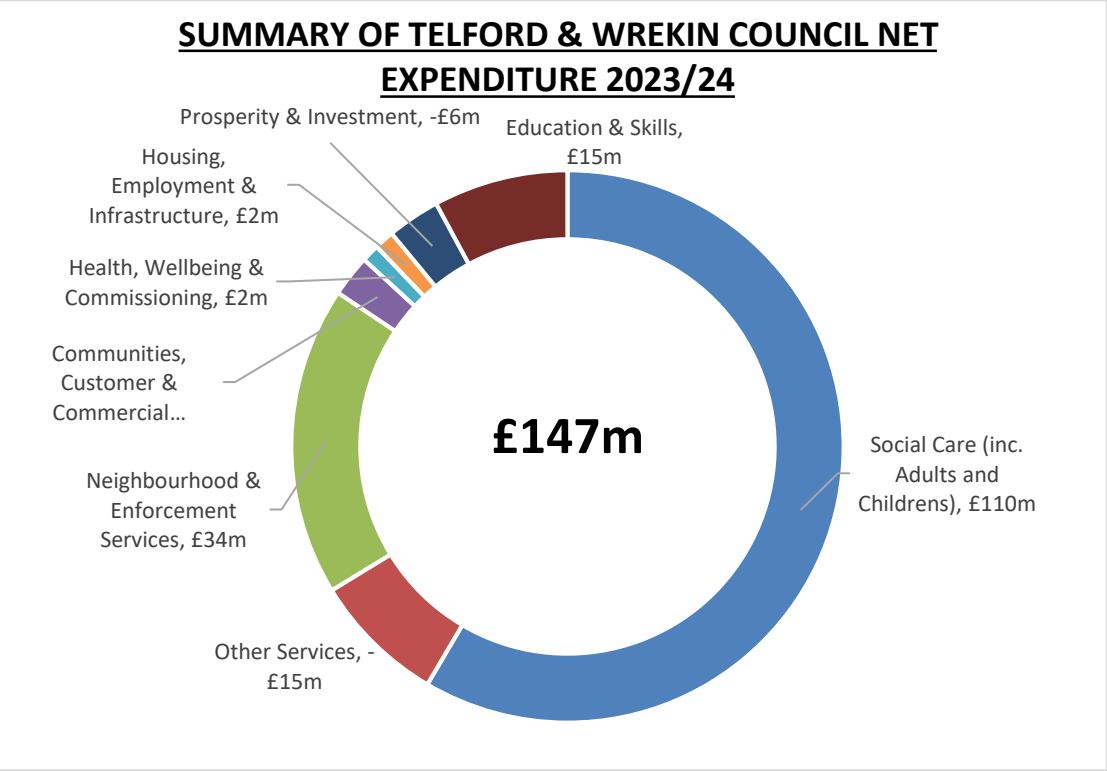
9.12 As part of our "Business Winning, Business Supporting" Approach, the Council continues to make investments in our Property Investment Portfolio through our "Growth Fund". Unlike some councils all property investments are within the Borough. The primary purpose of the Growth Fund is to attract new jobs to the Borough from inward investors, but it can also retain existing jobs in companies looking to expand and which may otherwise move out of the borough. Any net return after covering all associated costs is used to support front line services as will additional retained income from business rates between any reset periods.

9.13 On 2 March 2023, the Council approved a detailed one-year service and financial planning strategy for the current financial year within the context of a four-year MTFS. The one-year detailed strategy was agreed because the Government only provided a one-year funding settlement and because the Government had again deferred their planned major changes to the local

government finance system. The Council remains committed to key themes from this earlier strategy and will continue:

- To work with partner organisations, including Town & Parish Councils and voluntary sector and community groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford to provide. These discussions have been very successful, and the Council is committed to extending this approach further through Partnership Deals with some transitional funding potentially available where appropriate.
- The Council committed to phasing out the residual local council tax support grant to the remaining, most severely affected, Town & Parish Councils over a three-year period commencing in 2022/23. The grant allocations for the relevant town and parish councils in 2024/25 will therefore be half of the amount received in 2023/24 (and one third of the amount received in 2022/23) and these amounts have already been notified to relevant councils. No further amounts will be payable in future years. The decision to phase the grant out over three years was taken in order to enable these town and parish councils to plan on a medium-term basis.

9.14 The budget set for the current year and which forms the basis for the budget for future years is summarised in the chart below:




9.15 The chart shows that in 2023/24, £110m, or 75% of our net budget, is spent on social care for adults and children. Financial Management reports to Cabinet during the year have consistently highlighted that at Telford & Wrekin both adults and children's social care services are facing pressure despite the significant additional ongoing investments made in recent years, additional

ongoing investment in both services is therefore required to ensure a robust MTFS in future years.

## 10.0 A Council Working to Protect, Care & Invest to Create a Better Borough

10.1 Despite our severe financial constraints, Telford and Wrekin is a progressive Council with ambitions to improve the Borough and the lives of residents. We are tackling the enduring impact of the Government's sustained austerity programme and the lasting impacts of the pandemic head on.




10.2 The Council has an ambitious investment programme to protect, care and invest to create a better borough.

10.3 Our Council Plan agreed by Cabinet in February 2022 sets out how as a Co-operative Council, the organisation wants to take forward the Borough over the medium term. It is a Plan which is centred on tackling the inequalities that exist in our communities. We will build a strong, clean economy and will ensure that all communities benefit from this - that the very real differences between our communities are "levelled- up" and that all of our communities are resilient, healthy and prospering. Core to all of this will be the action we take to protect our environment and playing our part in tackling the climate emergency. In October 2022, Cabinet agreed a 10-year vision for the borough providing the organisation with a long-term plan for the sort of place we want the borough to be in 2032, outlining our ambitions but also the challenges we want to have addressed. Vision 2032 has been developed with our key strategic partners including the NHS, Police, Telford College, and Harper Adams University providing a series of shared ambitions that we can collectively work together to achieve.

10.4 Despite the severe financial challenges we face, our mission is clear. We will support residents and businesses, attract new jobs and investment and promote clean growth in the borough, whilst seeking to protect, as far as we are able to, priority front-line services and are working co-operatively with our residents and partners to deliver these.

10.5 From our on-going engagement with local people over many years, we are clear that they and their families have some fundamental priorities which we as a Council will work with them to achieve. We know that the people of Telford & Wrekin want to live:




- **In a safe community** – we work in partnership with West Mercia Police to ensure that Telford & Wrekin remains a low crime area. Our work to support and safeguard children from sexual exploitation has been recognised by Ofsted as amongst the best in the country. Following the publication of the Independent Inquiry into Telford Child Sexual Exploitation report, in July 2022, the Council committed to implementing the recommendations six months earlier than anticipated. Fulfilling this commitment, the Chair of the Independent Inquiry, Tom Crowther KC will be invited at the end of the year to return to Telford & Wrekin to assess progress against those recommendations. Initial funding of £0.3m has been included within the MTFS to cover these costs in addition to committing to protect the funding of the CATE team in real terms in future years and also providing ongoing funding of £0.1m pa to replace existing one-off funding currently used to support part of the budget for the CATE team. If required additional funding will be built in to the MTFS as and when required to ensure the Council can deliver its commitment to safeguard children.

- We have worked to get Telford designated as a White Ribbon Town where domestic violence is not tolerated. Our Public Protection team deliver our enforcement agenda to ensure that local services and facilities are safe, that nuisances are tackled and houses in multiple occupation are better managed. We have made a commitment as a Council to always look after the most vulnerable in our community despite the significant budget challenges that we face.




- **In a clean environment** – we work in partnership with Idverde and Veolia and also with our Town and Parish Councils to ensure that our streets, parks and public spaces are clean and tidy and that we have first class waste collection and recycling services.




- **In a place with good roads and pavements** – each year we invest in a major programme to repair and maintain our roads and pavements. We have also secured significant amounts of Government funding to improve many roads, roundabouts and junctions so that congestion caused by more cars using our roads in the future will be reduced or avoided. The results from the National Highways & Transportation Survey (NHT) for this year have us top in the region for overall satisfaction with roads, we are second nationally and highest out of all unitary authorities. We have:

  - 626 miles of road,
  - 743 miles of footpaths,
  - 132 cycle ways,
  - 20,000 streetlights,
  - 120 roundabouts

- Through our 'Pride in Your Community' initiative and through creative use by elected members of their ward fund allocations, we have also made lots of small improvements in communities and on estates that can make a big difference to everyday life.




- **Where there are first class schools and education facilities** – we work in partnership to support our primary, secondary and special schools and performance is amongst the best in the West Midlands. We will continue to invest in maintaining and extending school buildings.

- **Where there are excellent and accessible Hospital, GP and other Health and Care services** - we are providing a key role working with NHS Health colleagues to ensure the Health and Care needs of our residents are fully articulated and Health and Care Services are planned based on those needs. Championing improvements to GP access and other primary care services together with improvements in Acute Hospital services and service backlogs are priorities for us. Telford deserves first class Hospital and other health and care services, and we will continue to champion this important issue. Health and Care within the community and "closer to or in the home" also remain priorities.

- **Where they have a job and there is a thriving economy** – through our Enterprise Telford approach, we are attracting more new businesses to come to our Borough every year bringing new jobs. We have also supported many existing businesses to succeed and expand.




- Through our 'Pride in your High Street' initiative, we have sought to give local businesses the key skills to both survive and thrive in our town centres. We work to protect local jobs; we have lobbied Government to retain key activity in our town. We also work, through our Job Box and Apprenticeship schemes, to ensure local people, and particularly young people, have the skills they need to get a job.

10.6 As a co-operative council, we are committed to listening to and involving residents in developing our plans to protect, care and invest to create a better borough. Our approach is to engage with our communities and partners in a targeted way – making sure the right people are involved at the right time on matters that affect them, and this is ongoing throughout the year.

10.7 One way residents can get involved is through our Community Panel – this is intended to be a representative group of local residents who volunteer to give their views and ideas on a range of local issues and services. When they sign up, they identify themes of interest so we only contact them about what they wish to be consulted about. In the last 12 months we have involved Panel members on a range of subjects including the Council's budget, the Public Heath Strategy and the Local Plan.

10.8 Our 2032 vision was consulted and shaped by direct input from local people. It set out what we want to see delivered in the next decade in order to build on the progress of the past 10 years, developed in partnership with a range of organisations from across the borough. Initially we spoke to 2,900 residents through a telephone survey and focus groups to find out what they liked about the borough and what they wanted to see change or improve over the next ten years. This was followed up by a second phase of consultation to seek further views from local people to make sure they were happy with the proposals we were putting forward and importantly to see what they think might still be missing before final sign off. This included an online survey and face to face consultation. In total we had just over 700 responses.

10.9 While many other councils have focussed on making cuts while neglecting growth and stopped major development projects, we continue to prudently

invest to create jobs and safeguard the future prosperity of the Borough and its residents.

10.10 Underpinning our relationship with the community are our vision to **Protect, Care and Invest to create a better borough** and our Co-operative values. These values are at the heart of all that we say and do as an organisation enabling us to deliver our five corporate priorities:

- **Openness and Honesty** - being open and honest in the way we work and make decisions and communicate in a clear, simple and timely way.
- **Ownership** - being accountable for our own actions and empower others with the skills to help themselves.
- **Fairness and Respect** - responding to people's needs in a fair and consistent way.
- **Involvement** - working together with our communities, involving people in decisions that affect their lives and be prepared to listen and take on new ideas.

**Our Vision, Priorities and Values**




10.11 Our MTFS is the financial expression of our priorities. Through the development of a sound MTFS we maximise the use of revenue and capital resources and ensure that we allocate the funding that is available in the

best way to deliver as far as possible on or overall vision to Protect, Care and Invest to Create a Better Borough. "Service Strategies" are prepared for each of the Council's directorates. These demonstrate how the budgets for each directorate are used to support the work of each directorate and the linkages to each corporate priority. Service Strategies for 2023/24 have been included in Appendix 4. These will be updated for 2024/25 once the budget for 2024/25 has been finalised. The Capital Programme is analysed by corporate priority later in this report to show how we use our capital resources to deliver our corporate priorities.

## 11.0 Funding Settlement for 2024/25

11.1 The provisional local government funding settlement for 2024/25 was announced on 18th December 2023 with a consultation period that ran until 15th January 2024. The final settlement was received on 5th February 2024. There were no changes to the Revenue Support Grant, however the Council did benefit from the additional £500m the government announced nationally for social care services in late January, this resulted in additional funding of £1.6m for the Council. The government also included additional funding of £100m for local authorities through increasing the minimum funding guarantee from 3% to 4%, increasing the rural services delivery grant by £15m and increasing the Services Grant by £10m. The Council does not benefit from the Minimum Funding Guarantee nor the Rural Services Delivery Grant which meant that the only benefit was a further £0.024m in Services Grant. The additional funding from these two increases has been set aside as a one-off contingency for 2024/25 as it is uncertain whether the funding will continue beyond 2024/25. The settlement has yet again been extremely disappointing.

The key points to note at a national level are set out below: -

- Core Spending Power for local authorities will rise by 7.5% in 2024/25.
- Council Tax referendum limits will be 3% for unitary authorities, with social care authorities able to set an additional 2% social care precept.
- Revenue Support Grant has been increased in line with the September CPI figure of 6.7%.
- The small business rates multiplier has been frozen at 49.9p and the standard multiplier has increased with CPI to 54.6p. The government will compensate local authorities for the loss of income for this decision up to the level of the September CPI figure.
- Social Care Grant has increased by £1,200m including the additional £500m announced in January 2024.
- Improved Better Care Fund remains the same as 23/24 at £2,140m with no inflationary uplift applied.
- ASC Market Sustainability and Improvement Fund has increased in line with previous announcements to £1,050m.

- ASC Discharge fund has increased in line with previous announcements to £500m.
- There is no change to the New Homes Bonus scheme with an amount of £291.4m.
- The funding guarantee which ensures authorities receive a minimum increase of 4% in their spending power has increased by £136m to £269m.
- The Services Grant has been significantly reduced from £483m in 23/24 to £87m in 24/25, a cut of 82%. This has been used to fund other increases in the settlement.
- Rural Services funding grant has been increased by £15m to £110m.

11.3 The cut to the Services Grant as part of the settlement has resulted in reduced grant income to Telford & Wrekin Council of £1.29m for 2024/25. This was not anticipated with the government giving no prior indication that this grant would be cut to this extent. This has resulted in further efficiency savings that will need to be identified across the Council which have been included as part of the 2024/25 savings.

11.4 The deadline for responses to the provisional settlement was 15th January 2024. The Chief Financial Officer agreed a response to the provisional settlement with the Cabinet Member for Finance, Customer Services & Governance.

**12.0 Base Budget For 2024/25**

12.1 The base budget for 2024/25 totals £176.254m and is summarised in Appendix 8. The budget will be restated after final decisions have been taken on the savings and investment proposals contained in this report.

12.2 As previously highlighted in this report, there are many areas of significant uncertainty facing the Council and our overall financial position beyond March 2025.

12.3 It is with this uncertainty over the medium-term financial outlook facing the Council in mind that the balance between the key components of the overall MTFS need to be considered i.e.:

- New ongoing revenue and one-off capital investments (which also impact on the revenue budget both in the year of spend but also in some cases for many decades ahead),
- The balance between further savings and the level of council tax increase,
- The use of a prudent level of one-off resources versus retention of sufficient one-off resources to provide future flexibility and assurance of financial sustainability through the medium-term.

12.4 Given the high degree of uncertainty for the reasons previously referred to, it is difficult to make accurate forward projections. However, it is essential that we now use the best available information to estimate the potential level of

budget shortfall in future years so that we can start to plan ahead now through this MTFS framework which is based on the Council's multi-year budget model. This includes many variables and will be regularly reviewed and updated as further information becomes available. Using current available information and assumptions, the position is summarised in the table below. However, it must be noted that the actual position may be very different to that set out below.

| **Base Budget Movements from 2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **2023/24 Base Budget** | **146,774** | **146,774** | **146,774** | **146,774** |
| Adjustment for use of reserves in 23/24 | 6,298 | 6,298 | 6,298 | 6,298 |
| One Off Contingency 2024/25 | 1,959 | - | - | - |
| Inflation on major contracts and utilities | 2,800 | 4,100 | 5,300 | 6,500 |
| Pay Inflation (including 23/24 pay award) | 7,399 | 10,651 | 13,443 | 16,305 |
| Pensions - Increases in the lump sum deficit payment - figures from actuaries. | 558 | 622 | 622 | 622 |
| Joint Use Leisure Facilities - DFE funding reduction | - | 241 | 241 | 241 |
| Adult Social Care additional investment | 13,937 | 18,479 | 23,473 | 23,473 |
| Additional Social Care Grant | (4,064) | (4,651) | (6,851) | (6,851) |
| Children's Safeguarding additional investment | 13,848 | 13,385 | 11,563 | 11,563 |
| Community Action Teams | 550 | 550 | 550 | 550 |
| Changes to Other Grants | 1,569 | 1,569 | 1,569 | 1,569 |
| Healthy Child Programme | - | 260 | 260 | 260 |
| Ongoing Revenue Cost of Council Investment Programme | - | - | 1,607 | 1,607 |
| Cost of capital Programme | 2,789 | 4,552 | 5,440 | 5,762 |
| Savings previously approved | (17,795) | (17,879) | (17,979) | (18,079) |
| Other | (368) | 118 | 1,894 | 2,644 |
| **Updated Base Budget** | **176,254** | **185,069** | **194,204** | **199,238** |
| Assumed income from Council Tax | (84,327) | (85,606) | (87,106) | (88,606) |
| Assumed Revenue Support Grant (net of T&PC CTS grants) | (12,360) | (12,889) | (13,146) | (13,409) |
| Business Rates (including "top-up" and s.31 grants) | (56,267) | (58,318) | (59,625) | (60,948) |

| | | | | |
|---|---|---|---|---|
| **Total Projected Funding** | **(152,954)** | **(156,813)** | **(159,877)** | **(162,963)** |
| **Base Budget Gap before Council Tax increase** | **23,300** | **28,256** | **34,327** | **36,275** |
| Less: | | | | |
| Council Tax Core Increase - 2.99% in 24/25 | (2,421) | (2,421) | (2,421) | (2,421) |
| Adult Social Care Precept - 2% in 2024/25 | (1,620) | (1,620) | (1,620) | (1,620) |
| (Note: *All of the additional funding generated from the total 4.99% increase in 2024/25 will be invested in social care services to support the most vulnerable members of our community. No assumptions have been made on increases in future years.)* | | | | |
| **Base Budget Gap after Core Council Tax increase** | **19,259** | **24,215** | **30,286** | **32,234** |
| Additional Savings | (19,259) | (18,139) | (17,873) | (17,873) |
| Use of Balances | | | | |
| **To find from further savings/use of balances/council tax increases in future years** | **0** | **6,076** | **12,413** | **14,361** |

**Notes:**

- No assumption has been made for any increase in either the general level of Council Tax or ASC precept beyond 2024/25. All of the additional funding generated from the 2024/25 increase is to be invested in provision of social care services to support the most vulnerable people in our community.
- The projections for years after 2024/25 are only intended as a broad indication at this stage for planning purposes and the estimates will be further updated as additional information becomes available including any changes in levels of demand and inflation from those currently assumed.
- It should be noted that a new comprehensive spending review will be carried out, probably during 2024 and that there is therefore no certainty over funding allocations beyond 2024/25 so projections beyond March 2025 have a very high level of uncertainty.

12.5 After having delivered £156.9m of annual savings by the end of this year, it is clear that further cuts will be more challenging. Clearly the Council will seek to minimise impacts on our community by working with Town and Parish Councils, local community groups, service users, the voluntary sector, volunteers and other partner organisations. Based on the position summarised above, total savings since the period of austerity began are projected to total just under £198.6m by the end of 2027/28 (assuming no further council tax increases and based on the medium-term projections

currently available – although these will inevitably change as further information becomes available) made up as follows:

| | £m |
|---|---|
| Savings made to end of 2023/24 | 156.9 |
| Savings previously approved for 2024/25 | 9.5 |
| Savings now put forward for implementation in 2024/25 | 15.8 |
| Ongoing savings now put forward for implementation in 2025/26 | 2.0 |
| Projected further savings/council tax increase required from 2025/26 to the end of the 4-year MTFS period in 2027/28 | 14.4 |
| **Total Projected savings by end of 2027/28** | **198.6** |

## 13.0 Our Approach to Developing Savings Proposals Budget Engagement

13.1 Due to the significant uncertainty over the future of the national local government finance system, the prolonged period of financial constraint for un-protected areas of public spending and the consequent scale of ongoing annual savings that had been delivered by the Council a new approach to the development of future savings proposals was agreed from 2017 onwards. Savings are now more challenging as the “easier savings” have already been taken. More time is therefore needed to consult with stakeholders about options and ways to minimise impacts. Therefore, savings are developed as soon as opportunities arise and capacity allows, rather than co-ordinating consultation through an annual process as historically was the case when resources were not so tight, and the need to implement change not so urgent. This means that we are able to engage with our communities and partners in a more meaningful way to develop more creative solutions to some of our challenges within the Borough. This also means that our budget engagement process takes place throughout the year, rather than just for a 4-week period.

13.2 We held discussions with our Town and Parish Councils, trades unions, business community and local voluntary and community sector partners and the Business & Finance Scrutiny Committee during January 2024. This is part of an ongoing dialogue that will continue throughout the year as our budget proposals are developed.

## 14.0 Capital Receipts and Debt Charges

14.1 The Council’s programme of property rationalisation has not only reduced running costs as we have disposed of buildings and other surplus assets but is also generating significant capital receipts enabling us to fund some investment from internal resources rather than from increased borrowing. Due to a temporary Government relaxation in regulations, the Council is also able to use new capital receipts to fund transformation and statutory severance costs. Debt clearly has to be repaid and adds to pressure on the revenue budget so the generation of capital receipts from the sale of surplus

assets helps protect essential front-line services. This reduces the number of cuts that would otherwise have to be made.

14.2 The Council, unlike the Government, is not able to borrow to fund revenue services as the Council has to set a balanced revenue budget each year with any shortfall being funded by the use of balances or from further cuts to spending or increased income.

14.3 Debt repayments represent a long-term fixed charge against the revenue budget which reduces the amount of funding available for the provision of front-line services. This spreads the cost of the acquisition of these assets over the useful life of the asset and therefore the cost is borne by the council taxpayers that benefit from the asset. However, some capital investment that is incurred to achieve Council objectives such as Nuplace which is offering tenants in the private rented housing sector the option of a high-quality home operated by a long-term responsive landlord not only deliver Council priorities but fund assets which are likely to increase in value over the long term and generate a revenue return greater than the cost of the associated debt charges. This surplus is used to support essential front-line services and to reduce the cuts to services that would otherwise be required. The Council carefully assesses each potential new investment to ensure that it does not expose the Council to an unacceptable level of risk either on an individual basis or when considering the entire debt portfolio of the Council with our approach set out in the capital and investment strategies, the treasury management strategy and prudential indicators reports that are considered by full Council each year.

14.4 In Telford & Wrekin debt repayments in 2023/24 accounted for 8.9% of the net revenue budget (including payment to Shropshire Council in respect of pre-unitary authority debt). This compares to:

- Telford & Wrekin 8.9%
- Unitary Average 10.3%
- Birmingham 23.1%

14.5 A graph showing the percentage of the net revenue budget allocated to debt repayments in 2023/24 for unitary authorities is included in Appendix 5 (data was not available for four councils from the CIPFA data source).

14.6 Our programme of asset sales totals £14.33m over the medium term. The planned profile of these receipts is shown below:

| | £m |
|---|---|
| 2023/24 | 0.774 |
| 2024/25 | 7.556 |
| 2025/26 | 0 |
| 2026/27 | 6.000 |
| **Total** | **14.330** |

14.7 Generation of these receipts is a key assumption within the MTFS. The Council has a detailed schedule of asset disposals to address this, which is regularly monitored by officers and all the revenue consequences of temporary financing pending these scheduled disposals are built into the Council's base budget projections contained in this report. This dependency will continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some capital spending schemes, identification of other assets for disposal or additional borrowing on a temporary or long-term basis although this would increase revenue costs and necessitate further cuts to other services or the use of additional one-off revenue resources such as the in-year contingency or Budget Strategy Reserve.

## 15.0 Section 106 Agreements

15.1 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S.106 agreements are often referred to as 'developer contributions'. The common uses of planning obligations are to; secure affordable housing, to secure financial contributions to provide infrastructure (for example relating to necessary highways works to provide access to the development) and to help fund new educational facilities for the children of families that move into newly built houses. Careful negotiations are undertaken with developers in reaching the s.106 agreement, which are legally binding and clearly state what the funding can be used for.

15.2 Legally a S.106 can only be requested when it is:
1. necessary to make the development acceptable in planning terms.
2. directly related to the development; and
3. fairly and reasonably related in scale and kind to the development.

15.3 Negotiations have to ensure that developments remain viable and the National Planning Policy Framework (NPPF) states where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.

15.4 The Council publishes an Infrastructure Delivery Statement (IDS) each year detailing income and expenditure against S106 agreements. A copy of the current Infrastructure Delivery Statement is attached as Appendix 7.

## 16.0 2023/24 PROJECTED OUTTURN POSITION

16.1 As the Financial Monitoring report also on this agenda shows, whilst the Council continues to exercise tight financial control, the very significant pressures being faced by the Council, in particular for Adult Social Care and Children's Safeguarding services are such that the current projected year

end position would require use of a limited part of the Budget Strategy Reserve. Work to seek to reduce this pressure is continuing but clearly further demand pressures may be experienced in key services so the actual outturn will be different, either better or worse, than currently projected as we are only part way through the year. It is, therefore, essential that all Cabinet Members and budget holders continue to exercise tight financial control and to deliver all planned savings. The position will continue to be closely monitored particularly for key but also for seasonal factors such as winter road gritting and any potential costs arising from flooding events.

## 17.0 Savings Proposals For 2024/25

17.1 By the end of the current financial year, the Council will have delivered ongoing budget savings, including additional income, of £156.9m since 2009/10. Despite the proposed 4.99% council tax increase (which includes the 2% ASC precept) which will raise around £4.04m, it is necessary for the Council to find further budget savings in order to deliver a balanced budget without using an unsustainable level of one-off balances.

17.2 Appendix 10 therefore includes a schedule of additional savings that if after consultation with service users and other stakeholders were all delivered would generate a total saving of £17.6m in 2024/25. Clearly after already having delivered £156.9m of savings, these savings now put forward will include some proposals that are more challenging. As explained elsewhere in this report, extensive consultation with service users and partners will be undertaken in order to identify ways to mitigate the impacts of the proposals or to identify alternative options.

17.3 Whilst additional investment totalling over £5.9m net of savings into Adult Social Care in 2024/25 is put forward in this report and £7.6m net of savings into the Children's Safeguarding budget for next year, it is not possible, even in these services to continue providing the same services in the same ways. In order to ensure that the Council can continue to always meet the assessed needs of vulnerable adults and children in our community, it is necessary for new approaches to be taken to deliver better outcomes for our clients and to ensure that we operate as efficiently as possible. Cost improvement plans are therefore in place for both Children's Safeguarding and Adult Social Care. Details of these Cost Improvement strategies are included as Appendices 11 and 12.

17.4 "Invest to Save" savings proposals delivered through capital investment can result in better outcomes for clients as well as significantly reducing costs, for example officers from across the Council are investigating the potential to deliver significant cost savings but also better outcomes for young people by looking at options to support our Foster Carers. This work has focused on the provision of changes to accommodation to enable existing carers to expand their offer and to support new Carers who currently don't have accommodation that would be suitable. The work to date has identified a range of opportunities. Delivering such projects requires co-ordinated cross

Council working which is already being demonstrated in the proposed redevelopment of the former Red Lion public house site in Wellington.

## 18.0 Revenue and Capital Investments

18.1 Due to the tight financial position faced by the Council the scope for new ongoing revenue investments is limited. However, the Council has always said that it will meet the assessed needs of vulnerable adults and children and in order to do this next year, significant additional investment will be made available to Adult Social Care and Children's Safeguarding totalling £13.5m after allowing for planned savings in 2024/25. In total the net budget for Adult Social Care and Children's Safeguarding will exceed £117m next year.

18.2 Unfortunately, the scope for additional ongoing revenue investments next year is limited, as further investments in other priorities would require more budget savings to be identified.

18.3 The Council is however proposing a significant capital programme which totals over £420.4m and is summarised in the capital programme report which forms part of this suite of MTFS reports. This is a very significant set of investment proposals and demonstrates the Council's commitment to **Protect, Care and Invest to Create a Better Borough**. The proposed package of capital investments will bring significant benefits to the Borough.

18.4 Nuplace was established to give tenants in the private rental sector the opportunity to rent high-quality, well-maintained homes from a long-term responsive landlord and by increasing competition in this sector of the housing market standards will be driven up. The initiative has already seen:

- 466 homes delivered, across ten sites with a further 19 refurbished properties across the Borough, bringing the total number of houses delivered to 485. Of these properties, 84 are for affordable rent or built to an adaptable standard, with the remainder being rented on the open market.
- Nuplace's growing portfolio now provides a range of homes for over 1,350 people across the Borough with houses available within North and South Telford and Newport.
- The diversification of Nuplace by the establishment of Telford & Wrekin Homes, involving the acquisition, refurbishment, and rental of properties at locations across the Borough. This will continue to raise standards in the private rented sector.
- Works are now complete at Southwater Way, Nuplace's low carbon town centre scheme and works are underway for a further 99 homes across three sites including the delivery of accessible and adaptable dwellings and homes built to future homes standard.

- The programme has resulted in over 23 acres of brownfield land being regenerated, addressing sites that might otherwise blight communities.
- The portfolio is performing well with a cumulative void rate of 1.91% since the first site was opened.
- Since 2015/16 - cumulative net incremental income of £9.7m to 31 March 2023 has been generated for the Council which has benefitted front line services such as social care services.
- In addition, Council Tax and New Homes Bonus payments are estimated to have generated an additional £4.0m cumulatively to the end of March 2023.
- The Nuplace investment portfolio has experienced strong capital growth and has an asset value of £86.7m. Cumulative growth in the portfolio is 28% to the end of March 2023.
- In addition to delivering much needed housing, the programme has delivered considerable added value in terms of local employment, apprenticeships, supply chain development and the delivery of a range of community projects.
- Since 2015/16, Nuplace has delivered a cumulative profit before tax of £3.5m.

This MTFS now proposes that the Council makes additional investment of £37m available to further develop NuPlace and Telford & Wrekin Homes over and above previous commitments. In total, the Council's investment in NuPlace and Telford & Wrekin Homes will be £169.9m since NuPlace was established.

18.5 The Council's Growth Fund, which has now operated for 8 years and:

- Enables the Council to provide land, build and lease bespoke properties and offer full turnkey solutions, and continues to drive a high number of investment enquiries drawing in new investors.
- The Fund has supported a range of commercial opportunities including new industrial units at T54, supporting the growth and expansion of current business such as Filtermist and providing grow on space for new businesses at Hortonwood West. Investment has also supported the delivery of Ni.Park (Newport), a new employment park for the Borough.
- Cumulatively, the £79.4m investment to date through the Growth Fund is estimated to deliver an ongoing gross return of 6.47%, 2.02% after borrowing costs but more importantly this project is attracting and retaining jobs for residents of the Borough.
- The funding committed to date into a range of investments is anticipated to help deliver approximately 1,445 new jobs.
- The investment is also delivering growth in business rates income (between resets). The additional business rates of over £0.6m pa is being invested directly into delivering front line services across all the Borough's communities.

This MTFS now proposes that an additional commitment of a further £10m is made available to further support Growth Fund initiatives from 2024/25 through to 2027/28 over and above previously approved amounts.

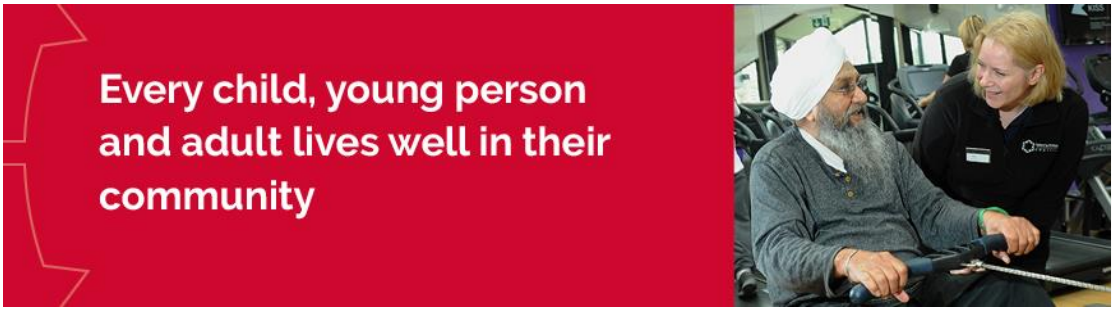
18.6 The proposed capital programme also includes £20m earmarked for a Capital Investment Fund being £5m pa over the period 2024/25 – 2027/28. It is proposed that a delegation to the Chief Executive, following consultation with the Leader, is approved to allocate the available funding to specific projects during the term of this MTFS.

18.7 In total this MTFS therefore includes proposals for additional prudential borrowing totalling £67m.

18.8 The proposed Capital Programme will also see:

- Over £31m for transport and Highways schemes,
- Over £41m for education capital projects including investment in school expansion projects to increase pupil places
- £9.7m for affordable and specialist housing programmes
- Over £10.8m for a range of housing initiatives, including affordable warmth, empty properties, rough sleeper and temporary accommodation.
- £8.7m for a new swimming pool
- £0.9m funding to progress development of “stalled sites”.
- Over £35m for Towns Fund projects
- Over £37m for Levelling Up Fund and Capital Regeneration Fund Projects
- Over £2.7m for Pride in Your High Street schemes
- £1.167m for Environmental Improvements/ Enhancements and funding of £2.19m for Climate change initiatives to support work to reduce the Council’s carbon footprint and partnering with government and others on other climate change projects.

18.9 The following tables analyse the capital programme against each corporate priority:




18.9.1 **Every child, young person and adult lives well in their community**
We want everyone in the borough to fulfil their potential, to be the best they can be. To do this it is essential that children and young people get the best possible start to life, that they receive a “good” or outstanding” education, that they learn how to stay healthy and well, and that as adults they can

access lifelong learning to develop their skills. We know that everyone, whether child or adult, thrives best when they live in a community with family, friends and networks of support. The Council and our partners will work to this goal where it best meets the interest of the person. Our other four priorities will support the delivery of this priority.

| Capital | Total £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 & Later Yrs £'000 |
|---|---|---|---|---|---|
| Adults Supported Accommodation | 901 | 901 | | | |
| School Schemes | 40,765 | 9,295 | 21,137 | 10,334 | |
| Other Schemes | 186 | 90 | 95 | | |
| **Total** | **41,852** | **10,285** | **21,232** | **10,334** | **0** |

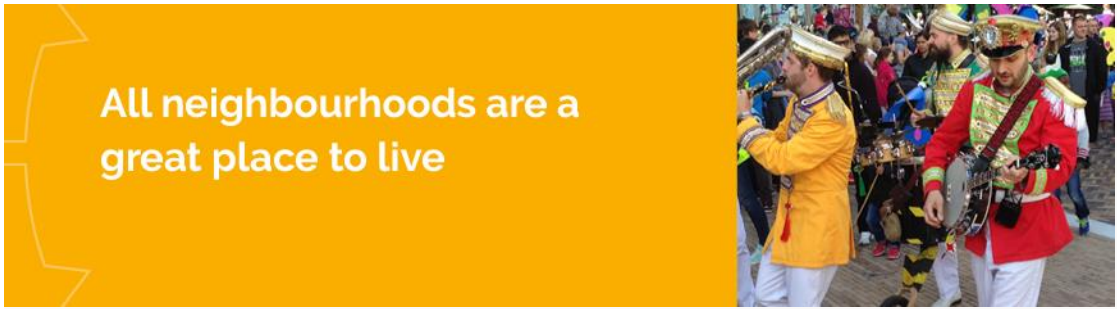



18.9.2 **Everyone benefits from a thriving economy.**

The borough has an outstanding track record of attracting and securing investment to create jobs. Whilst Covid-19 has brought challenges, our focus will be to attract investment, drive innovation and support businesses whilst they recover from these challenges and enable the economy to continue to grow. This is essential if we want an economy that everyone can benefit from which will enable inequalities across our communities to be addressed.

| Capital | Total £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 & Later Yrs £'000 |
|---|---|---|---|---|---|
| Property Investment Portfolio/Growth Fund | 65,266 | 7,168 | 31,421 | 18,726 | 7,951 |
| Towns Fund | 35,168 | 16,288 | 15,290 | 3,590 | |
| Levelling Up Fund | 26,905 | 2,811 | 14,932 | 7,007 | 2,154 |
| Capital Regeneration Fund | 10,431 | 3,587 | 1,271 | 5,366 | 207 |

| | | | | | |
|---|---|---|---|---|---|
| Stronger Communities | 1,791 | 291 | 1,500 | | |
| HCA Land Deal | 6,249 | 1,330 | 1,812 | 3,108 | |
| Other Schemes | 43 | 43 | | | |
| **Total** | **145,855** | **31,519** | **66,225** | **37,797** | **10,313** |




18.9.3 **All neighbourhoods are a great place to live.**

We want all our neighbourhoods to be safe and inclusive for everyone, including the young and the old. We want neighbourhoods to thrive and be places where people want to live. We want people to feel pride in, and ownership of, their communities and to feel as though they belong whatever their background. We want our communities to be well connected and for everyone to have access to good, affordable housing.

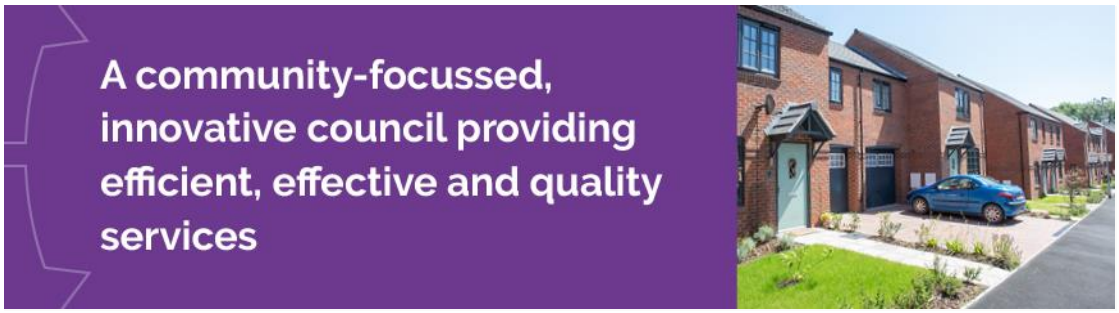
| Capital | Total £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 & Later Yrs £'000 |
|---|---|---|---|---|---|
| Nuplace - Housing Investment | 103,108 | 10,782 | 40,700 | 30,155 | 21,470 |
| Affordable Housing Programme | 9,727 | 627 | 9,100 | | |
| Highways & Transport | 28,667 | 14,785 | 7,882 | 2,000 | 4,000 |
| Playing Pitch Investment | 1,643 | 300 | 1,343 | | |
| Swimming Pool | 8,740 | 25 | 2,700 | 6,015 | |
| Environmental Improvements & Enhancements | 1,167 | 1,167 | | | |
| Pride in Your High Street | 2,763 | 1,220 | 1,543 | | |
| Housing Schemes | 10,852 | 7,682 | 3,170 | | |
| Leisure & Cultural Schemes | 2,964 | 1,414 | 1,550 | | |

| | | | | | |
|---|---|---|---|---|---|
| Stalled Sites | 924 | 324 | 600 | | |
| Other Schemes | 7,844 | 2,017 | 4,927 | 300 | 600 |
| **Total** | **178,398** | **40,343** | **73,516** | **38,470** | **26,070** |




18.9.4 **Our natural environment is protected, and the Council is taking a leading role in tackling the climate emergency.**
In October 2019, the Council recognised the climate emergency by committing to make the operation of the Council and the borough carbon neutral by 2030. We are committed to protecting our heritage and habitats too, protecting biodiversity both in the way in which the Council delivers it services but also through local planning policy.

| **Capital** | **Total £'000** | **2023/24 £'000** | **2024/25 £'000** | **2025/26 £'000** | **2026/27 & Later Yrs £'000** |
|---|---|---|---|---|---|
| Climate Change | 2,191 | 240 | 1,951 | | |
| LED Lighting Invest to Save | 192 | 192 | | | |
| Air Quality | 100 | 100 | | | |
| On Street Residential Charge Point Scheme | 683 | 683 | | | |
| DeCarbonisation Schemes | 28 | 28 | | | |
| **Total** | **3,195** | **1,243** | **1,951** | **0** | **0** |



18.9.5 **A community-focussed, innovative council providing efficient, effective and quality services.**
To deliver our community priorities, we will maximise the use of our resources, ensuring that we work efficiently and effectively together as one system, one organisation. We will continue to develop and support our workforce, our ICT systems and data, and our financial resources. Our decisions about how we do this will be informed by robust engagement and consultation with communities, businesses, partners and stakeholders.

| Capital | Total £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 & Later Yrs £'000 |
|---|---|---|---|---|---|
| Asset Management Plan | 3,776 | 976 | 700 | 700 | 1,400 |
| ICT Investment | 16,713 | 3,784 | 5,919 | 3,009 | 4,000 |
| Efficiency Capitalisation | 6,688 | 1,500 | 2,769 | 2,419 | |
| Capital Investment Fund | 20,000 | | 5,000 | 5,000 | 10,000 |
| Other Schemes | 3,952 | 396 | 2,485 | 357 | 714 |
| **Total** | **51,128** | **6,656** | **16,874** | **11,485** | **16,114** |

## 19.0 COUNCIL TAX

19.1 Council Tax in Telford & Wrekin has historically been low compared to other councils. Indeed, it has been the lowest across both the West and East Midlands for the last 6 years for the services that this Council provides. Appendix 1 is a graph comparing Council Tax levels across the Midlands region and demonstrates that Council Tax in this area is the lowest in the Midlands region at Band D (£1,463.93). The average Council Tax at Band D in the Midlands region is around 18.9% higher than in Telford & Wrekin.

19.2 Appendix 2 compares our Council Tax to the other unitary authorities in England and shows that we have the second lowest Council Tax at Band D out of 59 unitary authorities being £269.40 less pa than the average for unitary authorities of £1,733.33 which is 18.4% higher than our level at Band D.

19.3 A further factor that has reduced resources in this area is "grant damping' whereby grant that the Government has calculated should be paid to this Council is withheld and used to support spending by councils that would otherwise receive less grant e.g. as a result of reducing population numbers. In the calculations used to establish the current local government finance system which came into effect from 1st April 2013, £1.6m pa of this loss was

perpetuated in the new baseline funding settlement for the Council and will be withheld from us – equivalent to a cumulative loss of over £19.2m by 2024/25.

19.4 As well as a comparatively low level of Council Tax, this area also has comparatively low property values with the majority of our properties being in Council Tax Bands A or B. 59.4% of total chargeable dwellings in Telford & Wrekin are in these two bands, compared to the average across all unitary authorities of just 48.0%. Whilst this is relatively good news for local residents in terms of their Council Tax bill and although we appreciate that Council Tax bills are a significant cost for local households, it means that we do not have the same scope to generate income from Council Tax as many other parts of the country where levels of Council Tax are much higher and average property values are also higher so a 1% increase raises considerably more per property than it does in Telford & Wrekin.

19.5 Despite the significant withdrawal of Government grant from the Council over the last 10 years, the Council has worked hard to keep Council Tax in Telford & Wrekin as low as possible recognising the financial pressures that our residents face despite the Government's deliberate and sustained policy of shifting the cost of funding local government services away from grants from central government and on to council taxpayers. The LGA have said "*council tax represented 45 per cent of council core spending in 2010/11, but by 2020/21 it had risen to 60 per cent. Council tax rises - particularly the adult social care precept - have never been the answer to the long-term pressures faced by councils. Councils will still have to find savings to already stretched budgets in order to plug funding gaps and meet their legal duty to set a balanced budget".*

19.6 Writing in the Municipal Journal, David Phillips an associate director at the Institute for Fiscal Studies, highlighted that *"The Government has not updated its main estimates of councils' spending needs since 2013, and they were based on even earlier data – sometimes from as far back as the 2001 census. The 2010s saw bigger cuts in poorer areas."* Giving councils the ability to increase council tax does not match funding to need because areas of greatest deprivation and need tend to have more properties in lower council tax bands.

19.7 In the CSR and the local government finance settlement the Government have assumed that councils will increase their level of council tax by the maximum permitted without incurring the costs of a referendum. In this council's case this Government assumption is that we will increase our council tax by a total of 5% including 2% in respect of the ASC precept. For 2023/24, in recognition of the cost-of-living emergency facing our residents, the Council froze the general council tax and only applied the 2% ASC precept. Unfortunately, given the extreme pressures facing the Council's Adult Social Care and Children's Safeguarding services which has not been recognised by the Government, it will not be possible to freeze the general level of council tax for 2024/25 without making even greater budget savings than those planned which are already extremely challenging. It is therefore

proposed to increase council tax by a total of 4.99% for 2024/25 in line with the Government's assumptions. All of the additional income generated which will amount to around £4.04m will be used to fund additional investment in social care services to support the most vulnerable people in our community. The 4.99% increase will be the average increase across the whole borough in the Telford & Wrekin part of the council tax bill and may vary slightly for individual households dependent which part of the borough they are located within and would amount to £1.09 per week for the average (Band B) property in the Borough. The increase in the total bill for each household will also be affected by the decisions of the Police & Crime Commissioner, The Fire Authority and individual town and parish councils.

## 20.0 BASE BUDGET, BALANCES AND CONTINGENCIES

### 20.1 Base Budget

20.1.1 A summary of the Base Budget position is included at Appendix 8 which shows a net base budget of £176.254m for 2024/25 after reflecting the investments set out in this report but before deducting the savings proposals. Assuming a council tax increase of 4.99% for next year and that all the savings put forward are agreed there is no requirement for the use of balances at present in 2024/25. Appendix 9 includes an analysis of the main changes in moving from the 2023/24 budget to the 2024/25 base budget.

### 20.2 Balances

20.2.1 Appendix 6 summarises the overall reserves and balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This currently shows over £21.7m available which could be taken into account as part of medium-term budget strategy considerations.

20.2.2 The Government has extended the temporary ability to fund the one-off costs of service reform projects from new capital receipts. Taking advantage of this opportunity offered by the Government will result in higher levels of debt than would otherwise have been the case and therefore higher debt charges as all capital receipts would otherwise be used to fund planned capital projects. However, whilst the debt charges are ongoing, they will be more than offset by the ongoing savings generated from the invest to save measures. In order to take advantage of this flexibility Full Council would need to approve an updated "Efficiency Strategy" which will be included in the Service & Financial planning report to be considered at Cabinet in February. This flexibility which was due to come to an end in March 2022 has now been extended again to March 2030. In addition to this flexibility, the Council also holds some specific funds to support service transformation. Currently the uncommitted balance in the Severance fund is £2.76m which is available to support restructure savings. A further £0.7m is held as an uncommitted balance within the Invest to Save/Capacity Fund.

20.2.3 Given the exceptionally high level of uncertainty over the Council's medium term financial position as previously highlighted in this report, it is important to retain as much flexibility as possible by limiting the use of available one-offs until the medium-term position becomes clearer. The level of usable one-offs gives a good level of comfort that the proposals contained in this report are financially robust given the projected levels of spending in Children's Safeguarding and Adult Social Care in 2024/25 have been fully allowed for in the proposed budget. The council also has £8.7m of general fund funding set aside for the one-off costs of implementing single status which may not all be required.

**20.3.0 Risk Management and Financial Resilience**

20.3.1 Local Government has faced unprecedented financial challenges since 2010 and the Council has faced significant grant cuts at a time when demand for many services, such as safeguarding vulnerable children and adults, have been increasing. We are also in a period of considerable financial uncertainty due to another 1-year funding settlement and with expectations that some aspects of the much-delayed reforms of the Local Government finance system will be implemented over the medium term but no information currently available to model what impact these might have on the Council. As an organisation that provides a vast range of essential services to the community and spends over £500m per annum financial resilience and risk management are very important considerations when agreeing our MTFS.

20.3.2 The key elements underpinning the Council's Financial Resilience are:

- **Setting a robust budget strategy which is deliverable and sustainable.**

✓ The Council has a long, proven track record of strong financial management, with no overspends over the past 15 years and has consistently received an unqualified audit opinion from its external auditors.
✓ The Council has successfully delivered £156.9m of budget savings since 2009/10
✓ Although very challenging, many savings have been phased over a number of years to allow adequate time for full consideration, consultation and implementation and in order to identify alternatives that mitigate impacts on our community.
✓ An Invest to Save/Capacity Fund is in place to provide additional resources for priority areas and to assist with the delivery of savings; bids are subject to a rigorous business case development and approval process.
✓ The Council has a comprehensive employee restructuring programme which is used consistently and supported by clear, costed rationales to support reductions in ongoing costs whilst maintaining the delivery of essential services and minimising compulsory redundancies as far as possible.
✓ Where required, additional investment has been included in the budget including, £5.9m additional net investment in Adult Social Care has been allowed for in 2024/25 and new net investment of £7.6m for children's safeguarding.

- ✓ Provisions are included in the accounts where required, to safeguard against potential costs, for example for bad debts and Appeals against NDR valuations.

- **Strong and Effective Financial Management**

- ✓ A robust risk based financial monitoring regime is in place to identify any adverse variances early so that corrective financial management action can take place. Additional in year savings targets have been delivered when necessary to meet service pressures when necessary.
- ✓ A strong and proactive financial management approach is adopted by budget holders supported by their nominated finance officer.
- ✓ The Council retains a good level of reserves and balances for the medium-term strategy.
- ✓ Cost Improvement plans are in place to focus on Children's Safeguarding & Family Support and Adult Social Care, areas of high demand and high cost. These are monitored on a regular basis by Senior Managers and Members.
- ✓ All reports considered by Senior Management Team and Cabinet are required to include financial and legal comments prepared by suitably qualified officers to ensure that financial and legal implications are clearly understood before decisions are taken.
- ✓ Decisive corporate action is taken on a timely basis to manage the Council's overall resources in order to address pressures as they, inevitably, arise during the year given the complex disparate range of services provided by the Council.

- **Strong & Effective Capital & Treasury Management**

- ✓ There is an effective Treasury Management Strategy which aims to maximise returns for the Council while minimising risks with a solid long track record of exceeding targets set and always complying with Treasury management parameters.
- ✓ Advice on interest rate projections from independent treasury management advisors has been used when making prudent assumptions on future borrowing costs.
- ✓ Treasury management decisions are managed at a strategic level in order to deliver best value rather than individual loans being taken out for spending on each separate capital project which often span several years.
- ✓ Funding capital assets (i.e. assets that have a long life) from borrowing ensures that the cost of the asset is charged to the revenue account over the useful life of the asset. Clearly if all assets were paid for directly from revenue, current taxpayers would be paying for assets that will still be available to taxpayers many years in the future.
- ✓ All capital investment proposals are subject to a rigorous business case development process to manage and mitigate risks as far as possible and are funded in accordance with the Council's approved Treasury Management Strategy after taking advice from professional external advisors.
- ✓ Capital Programme resources are available, in accordance with the Prudential Code of Borrowing and capacity may exist to capitalise expenditure planned to be funded from revenue and in extreme

circumstances the Minister may authorise an application for a capitalisation direction.

- ✓ A Capital Programme Board meets regularly to drive delivery of the capital programme and manage overall available resources. This is chaired by the Chief Executive and membership includes all Executive Directors, the C.F.O. and all Directors with significant capital projects.

- **Reserves & Balances**

- ✓ The Council has General Fund and Special Fund balances as a safeguard against unforeseen costs as well as earmarked reserves and provisions for specific purposes. The Council's main Budget Strategy Reserve has an uncommitted balance of £21.7m and remains available to support the medium-term financial strategy.
- ✓ In extreme emergency circumstances, general balances and some other funds that have been set-aside for specific purposes could be used and then replaced as part of a future strategy.
- ✓ The Council holds £8.7m set aside for one-off costs associated with the equal pay settlement.
- ✓ Contingencies have been built into the revenue budget: A general contingency of £3.95m in 2024/25 is held within the corporate core with a further £10m for inflation and pay awards also held centrally. A one off contingency of £1.959m has also been included for 2024/25.

- **Strategic Risk Management**

- ✓ The Council has a strategic risk register which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is reviewed by Senior Management Team to manage risks and mitigate potential exposures both as part of everyday business and as part of decision-making processes.

- **Reducing Dependency on Government Funding**

- ✓ Despite financial challenges, the Council has a clear goal to attract new jobs and investment and promote growth in the borough and is committed to an investment programme which will safeguard the prosperity of the borough – growth will result in additional Council Tax, new homes bonus and business rates pending proposed changes to the local government finance system and periodic resets of the system thereafter.
- ✓ The Council has adopted innovative ways to improve quality of life for residents including Nuplace, its wholly owned housing company which provides tenants in the private rental sector the option of renting a high-quality home from a long-term and responsive landlord. The solar farm, the Telford Land Deal (a unique joint arrangement with the Marches LEP and Homes England) and the Telford Growth Fund all bring significant benefits to residents and a net financial benefit after covering all associated costs is also generated which is used to help support the provision of front-line services.
- ✓ For 2023/24 income streams from NuPlace are projected at £2m after covering all additional costs, the profit from the solar farm will exceed £0.7m

and the net additional income from the Property Investment Portfolio boosted by benefits from the Telford Growth Fund is projected to exceed £8.7m.

- **Insurance Arrangements**

✓ Appropriate insurance arrangements are in place to safeguard the Council's assets and protect against liabilities.

- **Experienced Finance Team**

✓ The Council employs an in-house finance team who work closely with service managers developing good working relationships and understanding of the issues and pressures facing services.
✓ The Council's finance team includes a good mix of qualified accountants, accounting technicians and other staff with extensive experience built up in the Council, in other public sector organisations and the private sector.
✓ The Council makes sufficient resources available to the Section 151 Officer to enable comprehensive financial management controls to be maintained.
✓ Regular Financial Management reports are produced for and considered by the Senior Management Team and for Cabinet and appropriate action is taken to manage pressures as they arise.
✓ Specialist external knowledge is commissioned for specific projects where appropriate.

20.3.3 These factors, together with the Council's long track record of effective financial management over what has been an exceptionally challenging period of austerity, which was unprecedented both in scale and duration, closely followed by a pandemic and then a cost-of-living emergency provide a level of assurance that the Council is both financially competent and in a sound financial position despite the further challenges that the Council will inevitably continue to face.

20.3.4 MRP Consultation - DLUHC launched a consultation on proposed changes to capital finance regulations in respect of Minimum Revenue Provision (MRP) calculations. The consultation closed on 8th February 2022, the outcome from which is still awaited. However, no changes are due to be implemented until April 2024 at the earliest and will be fully reflected in the MTFS when clarified. However, we do not expect that any changes will be required over and above those that have already been included in our projections for future years.

**20.4.0 Inflation Assumptions and Contingencies**

20.4.1 The Council's budget model for future years includes an allowance for pay awards of around 4.5% for 2024/25. An allowance of around 3% has been built in for 2025/26 and 2.5% for later years. However, the precise impact of pay awards may vary from national headline rates if further lump sum, as opposed to across-the-board percentage, pay awards are made in future years as was the case for the April 2022 and April 2023 pay awards. After

many years of considerable pay restraint which have seen the pay of council employees cut in real terms by over 23% compared to CPI (and considerably more for the most senior roles) there is a risk that the Council may not be able to retain or attract suitably skilled staff to deliver services in what is now a very challenging environment, therefore in some areas additional "market factor" allowances are applied to aid recruitment and retention.

20.4.2 In accordance with practice in recent years, no allowance has been built in for general inflation, although provision for contractually committed inflation increases (for example the waste collection and disposal and environmental maintenance contracts) and Adult Social Care costs has been made.

**21.0 Education Funding – Dedicated Schools Grant**

21.1 Dedicated Schools Grant (DSG) in 2024/25 will be allocated using four blocks:

21.2 **Schools Block** - funding for all mainstream primary and secondary schools via a local funding formula, although the Government is planning to move to a nationally determined funding formula in future. The amount in the block for Telford & Wrekin is £164m. The 2023/24 'mainstream schools additional grant' has been brought within the school's block for 2024/25 and a like-for-like comparison shows an increase in per pupil funding of 2.12% for 2024/25. Whilst the impact of the September 2023 pay award is partially covered by an additional grant, the overall funding increase for 2024/25 is considerably below current levels of inflation and implies a real terms reduction in school funding in 2024/25, should 2024 pay awards be similar to 2023 and no additional grant funding be made available.

21.3 **High Needs Block** - funding for Special Educational Needs (SEN) placements and support, special schools, pupil referral units and other alternative provision. The provisional amount in this block for 2024/25 is £36.6m. This represents an increase of around £1.6m compared to 2023/24 – a much lower increase than seen in recent years.

21.4 High needs will remain an area of significant financial pressure in Telford & Wrekin, as well as many other Local Authorities, due to the upwards trend in the number and complexity of children and young people with high needs. The lack of flexibility in the deployment of DSG funding means that the Authority is dependent on DfE allocations of high needs funding being sufficient to meet demand. Services are working to make local provision both educationally and financially sustainable, in particular by supporting mainstream schools to be as inclusive as possible. The current forecast position is that there will be a deficit on high needs DSG by the end of 2023/24 and the increase in funding for 2024/25 is unlikely to be sufficient to meet high needs pressures.

21.5 The government has amended finance regulations, such that any DSG deficit is ring-fenced away from the Council's general fund position until 31 March 2026. It is not clear what the position will be after this date.

21.6 **Early Years Block** - funding for free entitlement provision for children from nine months old to four years old.

21.7 There was an increase in the funding rates for early years entitlements announced part-way through the 2023/24 financial year, particularly significant for 2-year-old funding. For T&W, this resulted in £0.75m of additional funding, bringing total 2023/24 funding to around £14.75m. The context for these increases included the cost pressures impacting upon settings (such as year on year increases in the national minimum wage) and the need to ensure sufficient funding rates to support the planned extension of entitlements, described below.

21.8 The Early Years block in 2024/25 has been increased to £22.4m, but will be adjusted for actual numbers of early years pupils in 2024 and 2025 and so will be finalised retrospectively in Summer 2025. The 2024/25 allocation is substantially higher than 2023/24 due to the extension in funded provision for children of working parents, as follows:

- From April 2024 working parents of two-year-olds will be entitled to 15 hours per week of free childcare (to date free provision for 2 year olds has only been available for children from deprived backgrounds, children in care or who have left care, children with an EHCP or children in receipt of disability living allowance);

- From September 2024, working parents of children from nine months old will be entitled to 15 hours per week of free childcare.

21.9 There will be a further extension to free entitlement from September 2025 when working parents of children from nine months old will be entitled to 30 hours per week of free childcare. This will be reflected in the allocation of DSG in 2025/26.

21.10 **Central School Services Block** – £1.1m - funding for Local Authority central services, which in the main are statutory. The Education Services Grant (ESG) ceased at the end of August 2017 and the Government created this new DSG block specifically for central services. However, the amount allocated is far lower than the previous ESG and Local Authorities need to secure Schools Forum approval for central services costs, despite the services being statutory. In addition to the Central School Services Block, representatives of maintained schools on the Schools Forum agreed to de-delegate an additional £0.4m for 2024/25 to cover costs of statutory services that apply only to mainstream schools.

21.11 Since 2022/23, we have also had to ask maintained schools in Telford & Wrekin to de-delegate funding for the local authority's statutory school improvement functions. Prior to this, these have been funded by the DfE's "School Improvement Monitoring and Brokering Grant". This was removed by the DfE, half in 2022/23 and the remaining half in 2023/24. No alternative funding was provided, although local authorities' statutory functions remain

unchanged. The value of the grant was worth £0.182m in 2021/22. In 2023/24 maintained school representatives on the schools forum agreed to de-delegate £0.135m and this agreement has been replicated for 2024/25.

21.12 In addition to DSG, significant additional funding is allocated to schools via the pupil premium grant (PPG). Just over £12m was allocated to Telford & Wrekin schools via PPG in 2023/24. Pupil premium rates per eligible pupil will increase in 2024/25 as follows:

| | 23/24 | 24/25 |
|---|---|---|
| 'Ever 6' primary | £1,455 | £1,480 |
| 'Ever 6' secondary | £1,035 | £1,050 |
| Looked After Child (LAC) or previously LAC | £2,530 | £2,570 |

## 22.0 Council Tax Premium

22.1 The Levelling Up and Regeneration Act 2023 contains a provision to permit councils to charge a council tax premium of 100% on second homes in their areas. In charging this premium, Telford & Wrekin Council would be supporting national policy which is aimed at reducing the number of second homes, freeing them up for local residents to either rent or buy – or alternatively encouraging owners of second homes to make them readily available as holiday lets which will bring tourists into the area. If properties are let out for 140 days or more per year, they may be registered as a business and therefore do not have to pay council tax. They will be charged business rates but may be eligible to receive 100% small business rate relief as a small business. If this is the case, the government will reimburse the Council fully for the cost of this relief.

22.2 This legislation was due to come into force on 1 April 2024 with the changes around Council tax for Second Homes being included as part of the MTFS for 2023/2024 approved by full Council on 3 March 2023. However, the implementation of the second homes premium has been deferred to 1 April 2025.

22.3 When deciding to apply a second homes premium, the first determination under this proposed legislation must be made at least one year before the beginning of the financial year to which it is related.

22.4 Therefore, the Council is proposing that for second homes the council tax charge is increased from the current standard 100% charge by applying an additional premium of 100% (200% total council tax charge) from 1 April 2025) on properties that are empty for over a year where:

- There is no permanent resident in the dwelling, and
- The dwelling is substantially furnished.

## 23.0 Community Engagement and Communication

23.1 As outlined earlier in the report, we will continue to work closely with a range of community groups and Town and Parish Councils to develop alternative

ways of delivering services. By engaging with residents and other partners it can be possible to find alternative ways of delivering those services that support our community. We will continue to engage with a range of partners and service users (experts by experience) who could assist in developing alternative service solutions in those areas that have potential to impact upon our residents.

23.2 Our 2024/25 approach to consultation and engagement on our budget will include communication in relation to key changes to where the Council intends to spend its budget and highlight areas for new investments. We will ensure that we engage with the community and our partners where there is an opportunity for us to work together to improve outcomes for our residents, or where there is potential for an impact on the community. We will continue to identify those who wish to work with us on developing alternative service solutions.

23.3 As in previous years, communicating and engaging with the community on our future plans is an important part of the budget process and the ways in which we will do this are outlined below. However, the aim is to build more in-depth engagement during 2024/25 and later years involving residents and partners in developing solutions, therefore an important part of our communication plan is to identify those who are willing and able to be part of this process.

23.4 The ways in which we sought views on our proposed strategy included;

- Discussions at several specific forums during January engaging with Town and Parish Councils, the voluntary and community sectors and local businesses in both face to face and on-line sessions,
- Communications campaign including media and social media, updated budget page on the council website, and direct email communication.
- Gathering comments and feedback via a wide range of channels including email, social media, in writing to freepost address and telephone and ward roadshows

23.5 The 4-week budget consultation process ran from 5 January 2024 to 4 February 2024, the Council's MTFS was published on our website, information was provided on social media and was supported by wider media communications. This involved clear communications on the proposed Council Tax increase of 4.99% and of the level of investment into social care services. People were given an opportunity to comment on these proposals by e mail or telephone.

23.6 The budget engagement process also involved dialogue with partners in the voluntary and community sector, Town and Parish Councils and businesses. These were held on-line and in person and involved presentations on our MTFS to provide more detailed information about the challenging financial position. Discussions included questions around council tax increases, borrowing, investments, opportunities for partnership working and the Council Tax Reduction Scheme.

23.7 As outlined above, communication of the Council's MTFS proposals has been the start of the process of a more in-depth engagement that will continue throughout the year. We will use feedback from partners to enable us to work together as specific proposals relating to service delivery are developed. Our joined-up approach to equality and consultation will ensure that we engage residents appropriately in relation to proposed changed to the delivery of Council Services.

## 24.0 Feedback From Scrutiny

24.1 The Council's Business & Finance Scrutiny Committee is a politically balanced committee of seven non-Executive elected members. The Committee is the main mechanism by which Cabinet consults annually with Scrutiny on the budget proposals.

24.2 The Committee held a meeting on 9 January 2024 at which scrutiny was provided prior to the meeting of the Medium-Term Financial Strategy 2024/25 to 2027/28 agreed by Cabinet for consultation on 4 January 2024.

24.3 An alternative budget was not put forward by any opposition group.

24.4 The Committee would like to thank the Cabinet Member for Finance, Customer Service & Governance, Interim Director: Finance & Human Resources and the Chief Executive for their presentations and answering questions to assist the Committee in its deliberations. The Committee also thanked those Officers involved in providing written responses to some questions.

24.5 Upon putting it to a vote, the Committee were unanimous in supporting the administration's budget approach and in particular the Committee made the following observations: -

a) The Committee supported the proposed council tax rise of 4.99% for 2024/25, which would be invested in the provision of Adult Social Care and Children Safeguarding services for the most vulnerable members of the community.
b) The Committee were supportive of the proposed net budget investment into Adult Social Care and Children Safeguarding amounting to £13.5m for 2024/25.
c) Members understood the provisional 1-year funding settlement from the government and recognised the potential uncertainty over the remainder of the medium financial term that runs beyond 2024/25.
d) The investments proposed in the budget were supported unanimously by the Committee.
e) The Committee were understanding of the changes to the local government finance system and spending powers and the overall impact it will have on setting the Medium-Term Financial Strategy.

f) The Committee asked various questions around the reserve contingency in relation to inflation and changing business rates. Members were reassured that the Council had a general budget contingency of £3.95m and a total allowance of £10m for inflation and pay contingency, and that the reserves will be managed by the Interim Director: Finance & Human Resources and her team as part of the regular financial monitoring process.

g) The Committee were pleased to see that the Council had continued to develop the income generating schemes such as NuPlace, and to look for additional income for better value of services procured from external providers, bringing in further investment and job opportunities for the Borough.

h) The Chair thanked Members for their questions around the proposals and for the Interim Director: Finance & Human Resources and her team who continue to monitor the Council's finances, especially in relation to income generating and the potential of further income opportunities from the NuPlace development.

i) The Committee were complimentary of the council tax position remaining the lowest in the Midlands for Band D properties for six consecutive years.

## 25.0 Strategic Risk Register

25.1 As an organisation which provides a very wide range of different services to the community and spends revenue and capital resources in excess of £500m pa, the management of risks is an important consideration in the budget setting process. The Council has a strategic risk register – included at Appendix 14, which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is reviewed by the Senior Management Team to manage risks and mitigate potential exposures both as part of everyday business and as part of decision-making processes and is also reviewed by the Council's Audit Committee.

## 26.0 Pay Policy

26.1 The draft pay policy statement for 2024/25 which has been approved by members of the Personnel Committee informally, is included at Appendix 17. The Localism Act 2011 required local authorities to produce an annual Pay Policy Statement. The Act requires the statement to detail the Council's policies in respect of remuneration at various tiers within the Council. The Act does not apply to local authority schools.

26.2 The purpose of these provisions is to provide transparency with regard to the Council's approach to setting the pay of its employees by determining:

- The methods by which pay is determined.
- The details and level of remuneration of its most senior staff

- The Committees responsible for ensuring consistent application of the provisions set out in the Statement.

26.3 The Council's Pay Policy Statement details:

- pay negotiation bodies.
- initial allocation of pay points.
- lowest paid employees and the ratio comparison with the highest paid officers.
- senior management remuneration
- the recruitment of chief officers
- additions to chief officers pay.
- termination payments
- where accountability and responsibility lies.

## 27.0 Council Tax Reduction Scheme

27.1 Each year Full Council is required to approve the Council's Council Tax Reduction Scheme for working age residents. Significant changes were made to the scheme in 2020/21. As was the case for 2023/24 there are no proposed changes to the scheme for 2024/25 except for up-rating of amounts within the scheme. The Council also has a Council Tax Reduction Hardship Assistance fund and policy which is to continue during 2024/25. Details of both the Council Tax Reduction Scheme and the Council Tax Reduction Hardship Assistance Policy are included in Appendix 16.

## 28.0 NEXT STEPS & TIMETABLE

28.1 Once the MTFS has been approved by full Council on 29 February 2024 and the Council Tax resolutions have been approved, it will be imperative that considerable resource is devoted to rigorous financial management and monitoring by all managers and budget holders. All managers need to effectively and proactively manage their budgets. Managers have a key role in the financial management of their services through use of the Agresso financial management system and appropriate training to facilitate and support this continues to be made available.

28.2 The Council faces many financial challenges. There are many risks and uncertainties inherent in the financial system that was imposed by the Government during 2013/14. As made clear earlier in the report there is a very high level of uncertainty about how the reforms to the local government finance system will impact on the Council.

28.3 As well as exercising tight financial control and effective financial management, managers and Cabinet Members will continue working together to identify further savings and opportunities for additional income to bridge the anticipated budget shortfalls currently projected over the medium-term. Developing options for consultation will involve discussion with partner organisations, service users and the community. The Council will need to actively respond to any additional consultation opportunities offered by the

Government during 2024/25 around the new local government finance system and ensure that the implications of the final changes are understood, and opportunities are maximised and the associated risks are effectively managed as far as possible.

## 29.0 Previous Minutes

- Full Council 2 March 2023 - Service and financial Planning report 2023/24 – 2026/27
- Cabinet 4 January 2024 – Medium Term Financial Strategy 2024/25 – 2027/28
- Full Council 25 January 2024 – Setting the Council Tax Base for 2024/25
- Audit Committee 31 January 2024 – 2024/25 Treasury Management Strategy and Treasury Update Report

## 30.0 Alternative Options

30.1 This report sets out proposals for how the resources available to the Council could be used during 2024/25. Cleary the Council must meet its statutory responsibilities, additional investment therefore needs to be made in some priority services. The proposed council tax increase will fund an element of the additional investment needed but further budget savings, over and above the £156.9m ongoing budget savings delivered to date, are clearly also required to ensure a balanced budget is set that does not depend on an unsustainable use of one-off resources.

30.2 Development of the Council's budget strategy involves balancing a number of considerations including, the appropriate level of one-off resources to use, what level of council tax increase is appropriate in the current circumstances where demand for key services is increasing, which services we want to prioritise for any new revenue or capital investment and where budget savings (including generation of additional income) may be implemented. Budget holders and Cabinet members consider a number of options in order to be able to set a balanced overall budget for 2024/25 as set out in this report. Any alternative options must meet the legal requirement that the Council sets a balanced budget for next year which must be seen in the wider context of a robust medium term financial strategy. For example, it would not be appropriate to use all available one-off resources to set a balanced budget for next year if this resulted in an unsustainable medium-term outlook.

30.3 Alternative priorities and options may emerge through the budget consultation exercise and, if so, can be considered in developing the final set of recommendations for consideration at Cabinet on 15 February 2024 before final decisions are taken at full Council on 29 February 2024.

## 31.0 Key Risks

31.1 Key risks include levels of demand for key services increasing above the level that can be funded from the approved budget, interest rates increasing beyond the levels assumed, inflationary increases in the cost of supplies and services that are higher than have been assumed and income collection levels being lower than expected or a recession impacting on council tax and business rates collection and income from the Council's property holdings and discretionary fees and charges.

31.2 The proposed budget includes a revenue contingency of £3.95m to protect against unexpected changes and the Council also holds a number of specific reserves and provisions e.g. to offset uninsured losses or to cover bad debts. Budget holders actively manage their budgets and the many financial risks and challenges that Council services face. At the start of the current financial year, the Council also held uncommitted general and special fund balances of just over £4.55m and an uncommitted balance in the Budget Strategy Reserve of £21.7m.

31.3 The Council has a long track record of effective robust financial management and, despite the challenges caused by the Government's long austerity programme and the Covid pandemic, has managed to out-turn within budget for the last 15 years.

## 32.0 Council Priorities

32.1 The development of a comprehensive MTFS is essential to support the effective use of available resources to deliver outcomes for all Council priorities. The report includes an analysis detailing how the capital programme is allocated across corporate priorities and Appendix 4 details the service strategies for each directorate and includes an analysis of the revenue budget used to support the activities of each directorate. The service strategies also detail how each directorate contributes towards the delivery of the Council's corporate priorities.

## 33.0 Financial Implications

33.1 This report sets out the Council's proposed MTFS for the period commencing April 2024. The financial impacts are detailed throughout the report.

## 34.0 Legal and HR Implications

34.1 This report develops the proposals for the Council's budget and policy framework which will be consulted upon in accordance with the Policy Framework & Budget Procedure Rules contained in the Constitution. In accordance with the relevant provisions of the Local Government Finance Act 1992, the Local Government Housing Act 1989, the Local Government Act 2003 and the Localism Act 2011, the Council has to set a balanced budget for 2024/25 before the 11 March 2024 and has to have regard to the

advice provided by the s.151 officer (Chief Finance Officer) on the robustness of the budget and the adequacy of reserves supporting the budget before doing so.

## 35.0 Ward Implications

35.1 Borough-wide impact.

## 36.0 Health, Social and Economic Implications

36.1 The MTFS includes considerable investment in social care services including net new investment to meet increasing costs and levels of demand, particularly for complex care cases, and includes the allocation of the Public Health Grant. The MTFS also provides for support of economic development activity and direct provision of industrial and commercial units for local businesses. The Council is a large employer of local people and has considerable spending power within the local economy. Clearly reductions to budgets as a result of budget savings programmes reduces investment in the local economy although conversely the capital investment programme and additional revenue investment into social care services help to support the economy.

## 37.0 Equality and Diversity Implications

37.1 The Council uses Equality Impact Assessments as a tool to ensure our decision making takes into consideration the 9 protected characteristics with regard to the General Equality Duty (GED). We are also now recognising and giving due regard to Care Experience and Armed Forces Personnel which were approved by Cabinet earlier this year. Whilst we are not legally obliged to do this through the Equality Act yet, we do have an obligation to make sure these groups of people are considered and not discriminated against either, so we think it's the right thing to do. In short, we must demonstrate that we pay due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations. We need to assess and analyse the practical impact on those whose needs are affected by changes to the way that we deliver our services or to our spending. We have adopted a proportionate approach that takes into account the relevance of a proposal with regard to equality. This is a measured response recognising that our resources are best aimed at dealing with those proposals that could have the most significant impact. In order to accomplish this we have followed a process designed to screen proposals and ensure that they are fully explored.

37.2 Our process involves carrying out an initial scoping exercise to determine which budget saving proposals may require action or further investigation with regard to equality impact. For proposals where implications are identified and are at a sufficiently developed state a proportionate impact assessment is undertaken. Where a proposal is still at an early stage of development, an equality impact assessment will be undertaken during its development. This is an ongoing process that will continue throughout the

year. As we engage with our community and partners to identify where we may need to deliver services differently, we will ensure that we continue the process of screening these proposals to identify if there are any equality implications.

37.3 The proposals contained in this report will impact on specific groups of people. An initial Impact analysis, on the savings proposals, highlights limited equality impacts, further work will be undertaken to identify and mitigate adverse impacts as far as possible. We will continue to screen all savings proposals for potential equality impacts relative to the General Equality Duty as proposals are developed further prior to implementation and will carry out further impact analysis where appropriate, prior to any final decisions being taken.

37.4 Public consultation took place between 5 January 2024 and 4 February 2024. The proposals contained in the report were also subject to Member scrutiny during this period. The final agreed recommendations will be implemented during 2024/25 and future years.

**38.0 Climate Change and Environmental Implications**

38.1 The revenue budget and capital programme include specific funding to support climate change initiatives, including capital funding of £2.19m for initiatives to reduce the Council's own carbon footprint, and partnering with government, organisations and residents to reduce emissions across the Borough. This investment is critical to the commitment the Council made in 2019 for its operations and activities to be carbon neutral by 2030, and in supporting the wider aspiration for the Borough to also become carbon neutral. It directly links to the priority that 'our natural environment is protected and the Council has a leading role in addressing the climate emergency', and builds on previous investment that has enabled the Council to reduce its emissions to date by 60% compared to the 2018/19 baseline.

38.2 Many of the actions in the Council's climate change action plan that will be funded by this investment have considerable co-benefits. Actions that help to reduce both energy costs and emissions, for example installing insulation, combine significant financial, social, health and environmental benefits. Sustaining investment will also help to mitigate the risks associated with climate change in the UK, as set out by the Committee Independent Assessment of UK Climate Risk for the UK's third Climate Change Risk Assessment (CCRA3), published in June 2021. These include more frequent flooding and extreme weather events, causing damage and disruption to local infrastructure and services, the impact of increasing high temperatures on people's health and well-being, and an increase in the range and consequences of pests, pathogens and invasive species.

## 39.0 Background Papers

- “Holding the Line”, article by Chris Smith in the November/December 2023 edition of Public Finance Magazine.
- LGFutures “Autumn Statement Briefing Note” dated 22 November 2023
- Local Government Association 2023 Autumn Statement on the Day Briefing – 22 November 2023
- The Guardian online - Autumn statement 2023: key points at a glance by Alex Lawson, Anna Isaac and Richard Partington published Wed 22 Nov 2023
- Local Government Association “On the Day Briefing Provisional Local Government Finance Settlement 2024/2025”
- LGFutures : Briefing paper on Provisional Local Government Finance Settlement 2024/25
- BBC News Website
- Provisional Revenue Support Grant Settlement Announcement 2024/25 – DLUHC Website published 18th December 2023
- Service & Financial Planning Report to Council – 2 March 2023
- Municipal Journal, 20 October 2022, article by David Phillips “Fairness Failure”.

## 40.0 Appendices

1 2023/24 Council Tax Comparison (at Band D) – Midlands Councils

2 2023/24 Council Tax Comparison (at Band D) – Unitary Councils

3 Savings Delivered to Date

4 Service Strategies and Budgets 2024/25

5 Financing costs to net revenue stream 2023/24

6 Reserves and Balances

7 Infrastructure Delivery Statement

8 Base Budget 2024/25

9 Analysis of Base Budget Movements

10 Savings List 2024/25

11 Children's Safeguarding & Early Help Cost Improvement Plan

12 Adult Social Care Continuous Improvement Plan

13 Efficiency Strategy 2024/25

14 Strategic Risk Register

15 CFO's Robustness Statement

16 Council Tax Reduction Policy

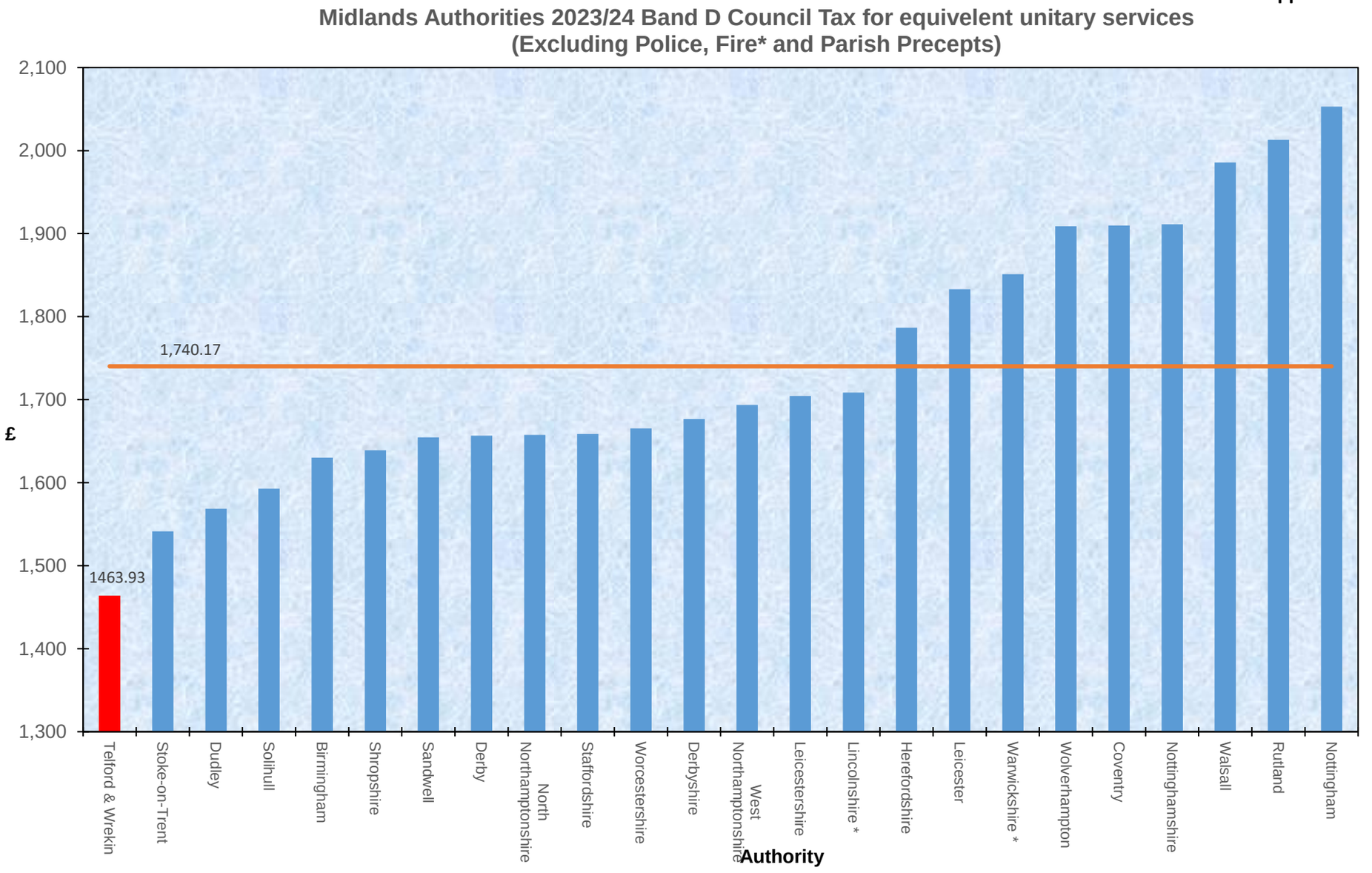
17 Pay Policy Statement 2024/25

## 41.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Legal | 22.12.23 | 22.12.23 | AL |

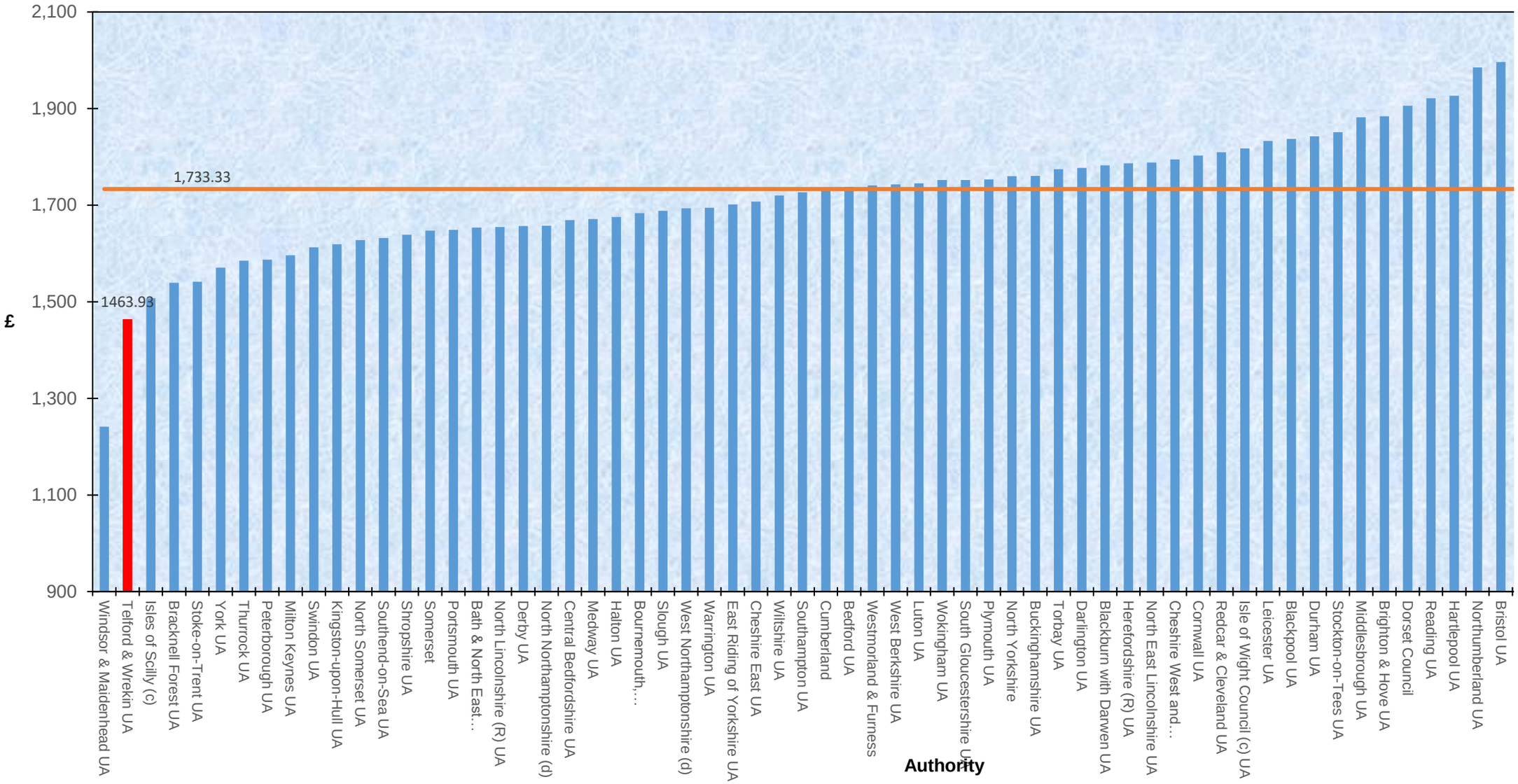
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**Appendix 1**

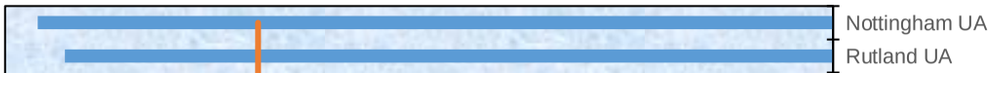

Midlands Authorities 2023/24 Band D Council Tax for equivelent unitary services
(Excluding Police, Fire* and Parish Precepts)
2,100
2,000
1,900
1,800
1,700
1,600
1,500
1,400
1,300
£
1,740.17
1463.93
Telford & Wrekin
Stoke-on-Trent
Dudley
Solihull
Birmingham
Shropshire
Sandwell
Derby
North Northamptonshire
Staffordshire
Worcestershire
Derbyshire
West Northamptonshire
Leicestershire
Lincolnshire *
Herefordshire
Leicester
Warwickshire *
Wolverhampton
Coventry
Nottinghamshire
Walsall
Rutland
Nottingham
Authority

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## Unitary Authorities 2023/24 Band D Council Tax
## (Excluding Police, Fire and Parish precepts)



dix 2



## APPENDIX 3 - SAVINGS ALREADY DELIVERED

1. The Council has faced truly unprecedented cuts to its grants from central Government which have now forced us to make ongoing annual savings of £156.885m. The need for savings has increased each year due to Government grant cuts, inflation, increasing demand for social care services and other services and other pressures. Ongoing savings delivered by year are detailed below:-

| | **£m** | |
|---|---|---|
| 2009/10 | 4.156 | |
| 2010/11 | 6.725 | |
| 2011/12 | 11.659 | |
| 2012/13 | 19.069 | |
| 2013/14 | 11.306 | |
| 2014/15 | 17.204 | |
| 2015/16 | 10.237 | (Includes in-year cut to Public Health grant) |
| 2016/17 | 15.743 | |
| 2017/18 | 13.815 | |
| 2018/19 | 7.568 | |
| 2019/20 | 6.066 | |
| 2020/21 | 2.860 | |
| 2021/22 | 7.284 | |
| 2022/23 | 7.221 | |
| 2023/24 | 15.972 | |
| | **156.885** | |

2. **This is equal around £1,900 pa for every household in Telford and Wrekin**. In delivering these savings, we have applied the principle of 'as far as possible minimising the impact on priority front-line services'. This principle remains at the core of our current strategy although it is now inevitable that we have to increasingly put some savings proposals forward that will have significant consequences on front line services. Savings delivered to date include:-

3. **Council Jobs** –
   - Significant reductions in headcount were necessary during the period of the Government's austerity programme austerity.
   - Since 2009 staff pay has been cut by over 23% in real terms (comparing average pay awards which have been greater at lower pay levels to reflect increases in the Government's minimum wage and inflation as measured by the Consumer Prices Index).

**4. Senior managers**

- Reduced the size of the senior management team by 50% from 28 posts, to 14.
- Cut the number of middle managers by almost 50%.

**5. Back office costs**

- Cut back-office costs by over 50% since 2009, saving £14.9m a year.
- This scale of reduction is significantly greater than what most authorities have achieved through outsourcing or sharing services and has been achieved much more quickly as protracted negotiations with other councils or third party providers have been avoided. Retaining full control of these services also allows maximum flexibility to drive further changes in future.

**6. Buying better value services**

- Delivered £15.8m procurement savings over the past 15 years by renegotiating and re-tendering contracts for the provision of services.
- Secured savings of £30m over the lifetime of the waste collection and disposal contract.

**7. Additional Income**

- We will receive around £2.3m in 2023/24 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply which is in line with figures issued as part of the provisional local government finance settlement.
- Increased income from more commercial approaches across our services over recent years, including increasing income from schools outside of Telford & Wrekin.
- As outlined earlier in this report, a strand of our approach to dealing with the Government's cuts to our Revenue Support Grant has been to increase income including through schemes that deliver wider benefits to the Borough such as regeneration of brown field sites, attracting new and retaining existing jobs. This additional income, after covering associated marginal costs makes a contribution to our fixed costs and has reduced the cuts to front line services that we would otherwise have to make.
- Income streams include the overall positive impact to the Council from our investment in high quality homes for private and affordable rent through our wholly owned company, NuPlace, which is projected at £2.0m in 2023/24 after covering all additional costs. NuPlace Ltd profit before tax was £0.573m in 2022/23 and is forecast at £0.450m in 2023/24 as full year interest charges and increased costs of operation are incurred. It is also anticipated that the Council will receive a dividend from Nuplace in 2023/24.

- The profit from the solar farm which will exceed £0.7m and the net additional income from the Property Investment Portfolio which is being boosted by benefits being delivered from the Telford Growth Fund is projected to exceed £8.7m in 2023/24.
- Our success in delivering high quality support and advisory services to schools – whether they be maintained schools or Academies and whether located within the Borough – or increasingly, outside the Borough is also making a contribution.

**8. Council buildings**

- Disposed of 29 properties including the former Civic Offices building, Wellington Civic and Addenbrooke House.
- With staff adapting to home working, a new hybrid mix of office and home working has been implemented which has enabled further reductions in accommodation budgets.
- We have reduced the office space we use by more than fifty percent, saving the Council £2.35m. p.a.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Welcome to Adult Social Care - Our Service Strategy

Welcome to our Service Strategy, which shows how Adult Social Care (ASC) will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual plans.

## About us

Working with people and partners, Adult Social Care supports:

- people over the age of 18 to remain in their own home and as independent and safe as possible;
- carers to continue in their caring roles with advice, information and support;
- people with a range of needs including physical disabilities, sight or hearing problems, learning disabilities or mental health illnesses;
- young people transitioning from Children's Services (CYP) into adulthood.

We strive to deliver a person-centred, integrated and collaborative service for Telford and Wrekin residents with care and support needs. Using a community asset and strengths-based approach, we work with people and those important to them to support people to live a fulfilling life, where they are able to realise their potential and contribute to their local community.

## Service Vision

Working together with people, key partners and communities to enable people to live well and independently in Telford and Wrekin.



**David Sidaway**
Chief Executive



**Simon Froud**
Director: Adult Social Care (Statutory Director of Adult Social Services and the Council's Caldicott Guardian)



## Meet the team:

**Victoria Worthington,** Adult Safeguarding & Deprivation of Liberties Safeguards

- Provides adult social care support for people under the Care Act 2014
- Specialist safeguarding service to discharge the Council's statutory responsibilities
- Operational Lead for Telford and Wrekin Safeguarding Adults Board
- Assessment and support under the provisions of the Mental Capacity Act 2005 Deprivation of Liberty Safeguards (MCA DoLS) to protect people who lack capacity to decide about their care and treatment.



**Sara Podmore,** My Options

- Providing Activity, Wellbeing and Care services for children, young people and adults across a large number of sites in Telford and Wrekin
- CQC registered services including Supported Living schemes, 24/7 care into people's own homes and the councils shared lives scheme
- Ofsted registered services- including supported accommodation- supported lodgings
- A number of day opportunity services
- ASC Workforce development lead.



**Clare Hall-Salter,** Assurance, Transformation and Financial Management

- Care Quality Commission (CQC) Overview and Lead
- Improvement Programmes
- Financial Assessment and Case Management
- Strategy and Performance Overview
- Co-production (linked to Principal Social Worker)
- Integration and ASC Partnership Programme Management
- Case management systems development and oversight
- Digital Transformation
- Appointeeship and Deputyship Financial Services
- Quality assurance and complaints management
- Policies and business process development
- Communications, Information and advice, including Live Well Telford (online directory of services)
- Business administration.



**Michael Bennett,** Admission Avoidance, Hospital and Discharge and Better Care Fund

- Supporting people to avoid admission through the Rapid Response Team
- Supporting people to be discharged from hospital through the Telford Integrated Community Assessment Team (TICAT)
- Winter Planning lead
- Continuing Health Care (CHC) lead
- Better Care Fund Lead.



**Sarah Bass,** Place Based Commissioning, Procurement and Brokerage

- Corporate Procurement
- ASC and CYP Procurement
- ASC and CYP Brokerage
- ASC and CYP Provider Quality Monitoring
- Integrated Care System (ICS) Place Based Joint Commissioning.



**Catherine Holden,** Principal Social Worker

- Lead Social Work practice internally and externally with partners while supporting the organisation's vision for Adult Social Care
- Care Quality Commission (CQC) operational lead
- Quality Assurance operational lead
- Co-production lead.



**Emma Clutton,** Prevention, Independence, Older People, Disability, Family Connect and Direct Payments

- Provides adult social care support for people under the provisions of the Care Act 2014, Mental Capacity Act, Mental Health Act and Human Rights Act
- Delivering adult statutory social work requirements. Including assessment, support planning and timely reviews and supporting independence
- Locality working with partners and the community
- Prevention and Enablement services including Occupational Therapy, Sensory Services and Assistive Technologies for technology enabled care, Independent Living Centre and the Community Led Support Service
- Community Hubs promoting independence and wellbeing in the community
- Adult Family Connect Service
- Direct payments lead.



**Amanda Benton,** Autism, Learning Disability and Mental Health Community Social Work

- Provides adult care support for people under the provisions of the Care Act 2014, Mental Capacity Act, Mental Health Act and Human Rights Act.
- Provide specialist mental health social work service working with partners (including 117 and AMHPs)
- Delivering adult statutory Social Work duties through assessment, support planning and reviews.
- Work with the local community and key partners to ensure the best outcomes for individuals, through community-based support, multi-disciplinary virtual hubs and partnership working
- Supporting young people with preparing for adulthood through transitions
- All-Age Carers lead.

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

**Every child, young person and adult lives well in their community**



**Our aim – provide early information and advice to enable people to help themselves**

**Our key performance measures – we will have an impact by:**

% of people who use services who find it easy to find information about services (ASCOF and Oflog)

% of carers who find it easy to find information about services (ASCOF and Oflog)

Requests resulting in a service (Oflog)

**Our aim – enable people to live independently in their own homes for longer**

**Our key performance measures – we will have an impact by:**

Carer-reported quality of life (ASCOF/Oflog)

Adjusted Social care related quality of life - impact of Adult Social Care services – (ASCOF/Oflog)

% of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services (ASCOF)

Outcome of short term services to maximise independence

% of adults with learning disabilities who live in their own home or with their family (ASCOF)

% of adults with learning disabilities in paid employment (ASCOF)

% of people using social care who receive Direct Payments (ASCOF)

**Our aim – support people with care and support needs to live a life free from abuse**

**Our key performance measures – we will have an impact by:**

% of people who use services who feel safe (ASCOF)

% of people who use services who say that those services have made them feel safe and secure (ASCOF)

% of section 42 enquiries undertaken where risk is removed/ reduced at closure

Number of completed DoLS applications

**Our aim – work in partnerships with people, communities and partners**

**Our key performance measures – we will have an impact by:**

Long-term support needs met by admission to residential and nursing care homes, per 100,000 population (aged 18 to 64) (ASCOF)

Long-term support needs met by admission to residential and nursing care homes, per 100,000 population (aged 18 to 64) (ASCOF)

Overall satisfaction of people who use services with their care and support (ASCOF)

% of people who are discharged to normal place of residence (BCF)

Avoidable admission (BCF)

% complex discharges on pathways 1, 2 and 3 (BCF)

**Our aim – work with the care providers to develop a quality sustainable care market**

**Our key performance measures – we will have an impact by:**

% ASC Workforce turnover rate (all sectors)

% vacancy rate in direct care care roles in ASC

% of care homes rated good or outstanding by CQC

Unit costs of homecare and long-term residential care



# OUR ACHIEVEMENTS

Proportion of people using social care who receive self-directed support in the **top quartile nationally.**

Number of older people who remain at home 91 days aftear discharge from hospital into reablement services in the **top quartile nationally**

**Increased financial investment** in Adult Social Care

**My Options Shared Lives** (Adult Placement) service has been rated as **Outstanding by CQC,** all other My Options services rated Good.

Strategic partnership boards are **co-chaired by people with lived experience** and associated strategies are co-produced. E.g. Autism Strategy 2023-2028

Established the **Adults at Risk Service**

**Digital excellence** Shared Care Record, Virtual House and Smart Hub Initiatives

Co-production of the **Independent Living Centre** with CVS

**Continued commitment to practice and development** of staff. E.g. social work progression framework.

The table below shows the original revenue budget for 2023/24 for the Adult Social Care directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | 26 |
| Employees | 17,803 |
| Premises | 82 |
| Supplies and services | 4,216 |
| Support services | 3,723 |
| Third party payments | 68,608 |
| Transfer payments | 5,882 |
| Transport | 140 |
| **Total EXPENDITURE** | **100,480** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | – |
| Fees and charges | – |
| Government grants | (11,457) |
| Other grants, reimbursements and contributions | (11,354) |
| Recharges to other services | (2,106) |
| Rents | (150) |
| Sales | (10,881) |
| **Total INCOME** | **(35,948)** |
| **NET EXPENDITURE** | **64,532** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Welcome to Children's Safeguarding and Family Support Services - Our Service Strategy

Welcome to our Service Strategy, which shows how Children's Safeguarding and Family Support Services will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.

## About us

Children's Safeguarding and Family Support Services work with children and their families with the aim of improving outcomes, and supporting them to live safely together. Where this is not possible, we act as ambitious corporate parents, ensuring that our children feel cared for and cared about and are supported through to adulthood.

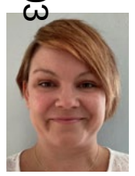


**Jo Britton**
Executive Director:
Children's and Family Services



**Darren Knibbs**
Director:
Children's Safeguarding and Family Support

## Meet the team:



**Emma Martin,** Family Connect, Emergency Duty Team, Strengthening Families and Family Solutions
This service covers the 'Front Door' to Children's Social Care, and offers a range of Early Help support and intervention.

- Family Connect is a single point of contact for both adult and children services, and is the home of the Multi-Agency Safeguarding Hub for Telford (MASH)
- Emergency Duty Team provides out of hours safeguarding, mental health and crisis support for both adults, children and families
- Strengthening Families Teams' are locality based and provide a variety of early help family support interventions, including Family Hubs and managing the statutory responsibility of children centres
- Family Solutions Team, are responsible for minimising the need for children to become looked after by the Local Authority where it is safe to do. This service also includes our Family Group Conferencing function.



**Tina Knight,** Child Protection and Family Support (Duty and Assessment), Child Exploitation Service (CATE):

- Duty & Assessment Service receive referrals from Family Connect and assess the needs of the family and the young people within the home
- CATE Team specialise in services for children and young people who are affected by child exploitation.



**Paul Grocutt,** Family Safeguarding, Family Assessment and Family Time

- The Family Safeguarding Service is made up of five multi-disciplinary teams with children's Social Workers, domestic abuse officers, domestic abuse practitioners, adult recovery workers and mental health practitioners coming together to resolve the main family problems that cause harm to children's health and development.
- The Family Assessment Team undertake assessments of parents' ability to look after their children safely where safeguarding concerns have arisen. The team provides help and support to parents so that they are able to provide safe where this is required
- The Family Time Team supports children who are in our care to spend time with their families, supporting them to maintain their relationships



**Laura Moore,** Service Improvement and Efficiency brings together a range of functions to support and enhance Children's Safeguarding and Family Support and Education and Skills:

- Projects and Innovation
- Inspection logistics
- Policy and Procedures
- Business Support
- Business Systems
- Complaints and Assurance
- Traded Services
- Volunteering and Youth Offer
- Equality, Diversity and Inclusion



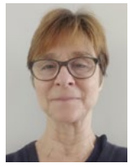
**Marie Hatton,** Children in Care and Leaving Care, Children with Disabilities

- Supporting children and young people who are in long term care, requiring permanence or stepping down to family care arrangements.
- Providing a local offer to care leavers between 18 and 25
- Work with children who are the subject of Child Protection plans, care proceedings or need a longer social work input to support them living with their families
- Children with Disabilities Service provide a specialist service/intervention for children with a disability or complex needs
- Case workers support families following assessment where needs have been identified, working with families to devise a support plan
- Children's Occupational Therapists undertake assessments in the home where there may be a requirement for equipment for example bathing aids, specialist seating systems, specialist furniture or adaptations to the layout physical layout of the home.



**Kelly Burgess,** Fostering, Adoption and Permanence

- Family Finding and Targeted Services focus upon the recruitment of foster carers to meet a range of needs for children and young people in need of permanence
- Fostering (Mainstream) lead on the supervision and support for mainstream foster carers, foster to adopt carers and shared care carers
- Assessment and Permanency Team (Family and Friends) support permanency for children and young people who may become looked after or are already looked after.



**Wendy Chetta,** Independent Safeguarding and Advocacy Services
This area of the service comprises a team of experienced Social Workers and Advocates. The team leads on:

- Delivery of Child Protection Conferences
- Delivery of Child in Care Reviews
- Management of the LADO process and position of Trust.
- Annual Foster Home Reviews
- Advocacy for children and young people in care and subject to child protection procedures

The following strategic functions and practice development service report to the Children's Safeguarding and Family Support Senior Leadership Team

- Principal Social Worker, Practice Learning Team, Systemic Practice and which annual Practice Week

The Principal Social Worker has a lead role in disseminating best practice initiatives across the region and nationally and in turn ensuring that any elements are embedded within Telford and Wrekin.

- Acts as 'Virtual Head' for social work students, ensuring that placements are of a good quality and support is provided.
- Is responsible for overseeing the ASYE panel.
- Is responsible for ensuring that there is a clear workforce development plan.
- Provides a clear link between practitioners and senior leaders.

Working directly with students. ASYE's and Practice Educators, the Practice Learning team provides ongoing supervision and support. Working in collaboration with others, the team are responsible for delivering a designated training programme to ASYE'S. It is also responsible for the coordination of all student placements and oversees the Practice Supervisor and Practice Education Training.

- Quality Assurance, System Training and Development and Data Quality Responsible for coordination of all quality assurance, learning from compliments and complaints and feeding back learning to the service. Works to support all levels of the workforce with practice development and quality assurance
- Systemic Practice Commissioners sit within the service and work with operational teams to review new and emerging needs in terms of service provision, working to both shape and ensure sufficiency within the market and will close the loop between needs of children and young people, the operational teams and commissioned services.

Telford & Wrekin Co-operative Council

**Protect, care and invest to create a better borough**

## Every child, young person and adult lives well in their community



**Our aim – high quality practice and continuous improvement across all of our work with young people and families will be delivered**

**Our key performance measures – we will assess the impact we're having by:**

- Delivering against the Ofsted Action Plan
- % of service audits rated good or better
- % of service audits scoring good for management oversight

**Our aim – children will be helped to live in safe, supportive and loving families wherever it is safe to do so**

**Our key performance measures – we will assess the impact we're having by:**

- Number of families supported by volunteers across the service
- Number of Family Group Conferences
- Number of care episodes prevented
- % of cases transferring to Strengthening Families from Children's Social Care
- % of Strengthening Families cases which achieved positive outcomes at point of closure

**Our aim – outcomes for our children and young people will be improved**

**Our key performance measures – we will assess the impact we're having by:**

- Timeliness of assessment for children and young people
- Timeliness of permanence for children and young people
- Monitoring SDQ scores for our children and young people and ensuring support mechanisms are in place

**Our aim – children and families will be able to access the right support; in the right place at the right time**

**Our key performance measures – we will assess the impact we're having by:**

- % of requests to Strengthening Families Support
- % Early Help assessments completed
- % of Early Help assessments completed by other agencies
- % of Early Help Support plans
- Number of Family Group Conferences

**Our aim – children will be at the heart of everything we do**

**Our key performance measures – we will assess the impact we're having by:**

- % of looked after children with life story work
- Number of children in care reviews where the child is in attendance
- % of social worker changes for children
- Number of children and young people engaged with consultation and participation activities and forums

## Everyone benefits from a thriving economy



**Our aim – young people will be supported into adulthood, to develop life skills, and be ready for work**

**Our key performance measures – we will assess the impact we're having by:**

- % of care leavers in receipt of leaving care services
- % of care leavers in suitable accommodation
- % of care leavers in education, employment or training
- % of care leavers who remain 'in touch'

## A community-focussed, innovative council providing efficient, effective and quality services



**Our aim – a committed workforce with a shared ambition, to make life better for children and young people will be sustained**

**Our key performance measures – we will assess the impact we're having by:**

- % of experienced social workers in post
- % staff turnover and vacancy rates
- % of agency staff in post
- % of staff trained in our local practice framework
- % of staff completing relevant professional training (annual)
- % of staff attending Equality, Diversity and Inclusion training
- Availability of alternative delivery methods to support continued professional development i.e. virtual courses, briefings, networking
- Implementation of more efficient interfaces using digital means i.e. system development enabling better data sharing



# OUR ACHIEVEMENTS

### Bright Spots Survey

**Our children and young people in care told us that they had positive relationships in their lives** in respect of social workers, carers and trusted adults

### Implementation of Mockingbird Constellation

an innovative approach to fostering

### In-house Foster Care modernisation plan

to support our amazing carers and show recognition to how central their role is in delivering positive outcomes for children and young people

### Oversight of our Social Worker recruitment and retention strategy

focusing on our greatest and most valuable resource, our staff

### Ongoing successes

**of Strengthening Families** an Early Help approach which supports the Supporting Families agenda

### Strengthening our Youth Offer

which includes the establishment of a Youth Partnership Board and strengthening awareness raising of all youth activities, creating safer, stronger communities and helping young people to make positive choices and stay safe

Telford and Wrekin FAMILY HUBS

### Launch of Family Hubs

one-stop centres where families can get free information, guidance and support on infant feeding, mental health, healthy lifestyles and many other services.

### Implementation and embedding of the Family Safeguarding Model

including a rollout of train-the-trainer sessions in Motivational Interviewing techniques and wider training across the system as a whole

### Ongoing developing of our Care Leavers Local Offer and Covenant

to support local care experienced young people to access education, employment, independence skills including financial management, and wellbeing opportunities

The table below shows the original revenue budget for 2023/24 for the Children's Safeguarding and Family Support directorate.

**EXPENDITURE** £'000

| | |
|---|---|
| Capital financing | 288 |
| Employees | 18,647 |
| Premises | 120 |
| Supplies and services | 11,372 |
| Support services | 2,729 |
| Third party payments | 16,998 |
| Transfer payments | 1,571 |
| Transport | 335 |
| **Total EXPENDITURE** | **52,060** |

**INCOME** £'000

| | |
|---|---|
| Interest receipts | - |
| Fees and charges | (50) |
| Government grants | (1,766) |
| Other grants, reimbursements and contributions | (3,602) |
| Recharges to other services | (1,035) |
| Rents | (38) |
| Sales | (357) |
| **Total INCOME** | **(6,848)** |
| **NET EXPENDITURE** | **45,212** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Welcome to Communities, Customer and Commercial Services - Our Service Strategy

Welcome to our Service Strategy, which shows how Communities, Customer and Commercial Services will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.

**About us:**
Communities, Customer and Commercial Services brings together a diverse range of services with the largest workforce in the Council. Many of our services, such as Leisure, Customer and Welfare Services, directly deliver services to the community, whilst others, such as ICT focus more on supporting the organisation to get the basics right.

**Meet the team:**



**Lee Higgins,** Customer Relationships and Financial Welfare Services
- Running the corporate customer contact centre and improving the customer experience
- Leading on the deployment of the Council's Customer Strategy across the organisation
- Managing the benefits service including Housing Benefit, Council Tax Reductions, Free School Meals, Concessionary Travel, Emergency Welfare Assistance and one-off grants, such as the Household Support Fund
- Providing registration, ceremony and bereavement services (Births, Deaths and Marriages), including managing three cemeteries.



**Stuart Davidson,** Operations
- Running ten sports and leisure facilities
- Managing Telford Town Park
- Delivering school meals and commercial catering
- Providing a range of commercial and in house training services
- Providing cleaning and care-taking services in Council buildings, schools and commercial buildings
- Running advertising services and co-ordination of Services for Schools.



**Angie Astley**
Executive Director: Housing, Communities and Customer Services



**Fliss Mercer**
Director: Communities, Customer and Commercial Services

Photo to be supplied

**Louise Stanway,** Community Services
- Providing community capacity building support to local organisations
- Providing support to Elected Members in their role as Community Leaders
- Facilitating consultation and engagement activity
- Leading on volunteering and supporting volunteer schemes for the Council
- Providing advice on equality, diversity and inclusion (EDI) and co-ordinating delivery of the Council's EDI strategy (EDI)
- Delivering community projects
- Managing a number of Council community grant programmes
- Co-ordinating the development and delivery of the Council's Climate Change Action Plan and related Borough-wide Action Plan.



**Psyche Hudson,** Culture
- Delivering and facilitating arts and cultural opportunities, including programming and managing Telford Theatre
- Helping to grow and develop the visitor economy through Visit Telford
- Developing and delivering a Borough-wide events programme.



**Kirsty King,** IDT (Information & Digital Technology)
- Providing ICT support and services to, Telford & Wrekin Council, schools, Town & Parish Councils, the voluntary sector and businesses
- Developing our digital services and leading the delivery of the Council's Digital Strategy.

## OUR BUDGET

The table below shows the original revenue budget for 2023/24 for the Communities, Customer and Commercial directorate.

| EXPENDITURE £'000 | |
|---|---|
| Capital financing | 3,139 |
| Employees | 19,422 |
| Premises | 373 |
| Supplies and services | 10,610 |
| Support services | 10,246 |
| Third party payments | 360 |
| Transfer payments | 45,869 |
| Transport | 120 |
| **Total EXPENDITURE** | **90,139** |

| INCOME £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | (3,384) |
| Government grants | (48,789) |
| Other grants, reimbursements and contributions | (719) |
| Recharges to other services | (13,589) |
| Rents | (118) |
| Sales | (18,974) |
| **Total INCOME** | **(85,573)** |
| **NET EXPENDITURE** | **4,566** |

Telford & Wrekin Co-operative Council

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## Everyone benefits from a thriving economy



**Our aim – residents have pride of place**

**Our key performance measures – we will assess the impact we're having by:**

- Number of people attending TWC-run events
- Number of visits to The Place/% occupancy
- Customer satisfaction – panto/other shows

**Our aim – the leisure and business visitor economy grows through investment**

**Our key performance measures – we will assess the impact we're having by:**

- Volume of visitors returning to our top tourism attractions
- Number of businesses engaged with Visit Telford
- Number of visitors to Visit Telford website and average duration of website visit
- Number of followers on Visit Telford social media channels

## Our natural environment is protected, and the Council has a leading role in addressing the climate emergency



**Our aim – the Council/Borough is carbon neutral by 2030**

**Our key performance measures – we will assess the impact we're having by:**

- Reduction in greenhouse gas emissions from Council operations as a result of actions delivered*
- Achieving plastic-free borough status by 2024

## All neighbourhoods are a great place to live



**Our aim – local people are consulted and involved in developing and delivering plans and services**

**Our key performance measures – we will assess the impact we're having by:**

- Number of Council engagement activities supported per year
- Number of partner engagement activities supported per year

**Our aim – community groups and volunteers become more active across the borough**

**Our key performance measures – we will assess the impact we're having by:**

- Number of Council volunteers that support the delivery of TWC services
- Number of community and voluntary groups receiving support and advice from TWC
- Number of community and voluntary groups supported by TWC to start up and deliver provision

**Our aim – our most financially vulnerable residents are supported and inequality is reduced through our welfare policies**

**Our key performance measures – we will assess the impact we're having by:**

- Speed, accuracy and customer satisfaction with processing of
  - Council Tax Reduction
  - Housing Benefits
- And the speed with the processing of
  - Blue Badge
  - Concessionary travel
  - Emergency welfare/crisis assistance
  - Discretionary hardship
  - Free School Meals

**Our aim – people work together to build strong, resilient and equal communities**

**Our key performance measures – we will assess the impact we're having by:**

- % of residents who agree that their immediate area is a place where people from different backgrounds get on well together
- Number of complaints received by the Council that are based on discrimination or unfair treatment

## Every child, young person and adult lives well in their community



**Our aim – working in partnership with Public Health we will design and deliver services that proactively contribute to improving their health of people in the borough and reduce health inequalities**

**Our key performance measures – we will assess the impact we're having by:**

- Take-up of free school meals through TWC Catering Services
- Number of visits to Leisure Centres
- Number of concessionary visits to Leisure Centres
- Telford Town Park – retention of Green Flag status

## A community-focussed, innovative council providing efficient, effective and quality services

**Our aim – our customers will experience high quality, value for money and safe services and facilities that are accessible to all**

**Our key performance measures – we will assess the impact we're having by:**

- Number of complaints received (Stage 1 & 2)
- % of complaints responded to within target response time
- Number of compliments/positive feedback received
- Number of Ombudsman's complaints upheld
- % compliance against accessibility standards for all Council run websites
- Net promoter score (Leisure Services)
- Customer contact centre:
  - Calls answered in less than 10 minutes
  - Call abandonment rate
  - Average time to answer calls
  - % satisfaction with customer contact centre
  - Average time to answer emails
  - Average time to answer web-chats
  - % satisfaction with web-chat/chatbot

**Our aim – a better borough through digital innovation, providing seamless connectivity to all, and more take-up of information and services online**

**Our key performance measures – we will assess the impact we're having by:**

- No of online transactions and online payments
- No of visits to www.telford.gov.uk and other websites

**Our aim - the Council, partners and customers will be provided with secure, reliable and resilient ICT infrastructure**

**Our key performance measures – we will assess the impact we're having by:**

- % of ICT service availability
- % of P1 and P2 ICT incidents and requests responded to within SLA
- Cyber security – yellow/green annual audit

**Our aim – commercial services will contribute to the Council's long-term financial sustainability**

**Our key performance measures – we will assess the impact we're having by:**

- Schools
  - Number of schools buying services (T&W/out of borough)
  - Value of services purchased by schools (T&W/out of borough)
- Income generated through advertising sales

# OUR ACHIEVEMENTS

## National and regional recognition of our services

Green flag for Telford Town Park; BETT award finalists – Technical or IT Support Service; LGC Public Health award finalists – Betty the Bus; Highest ranking single tier council in the Midlands for our climate emergency scorecard ;APSE Leisure Services Team of the Year (finalists), Winner of APSE Best Transformation and Efficiency Initiative, Winner of Public Sector Contact Centre of the Year (UK Contact Centre Forum Awards), bronze award for burial processes (Institute of Cemetery and Crematorium Management)of ; Soil association bronze award for Catering

## Consistently exceeding 90% customer satisfaction

in the customer contact centre

## Delivering and participating in a wide range of grant schemes

including Household support fund; Councillors Pride fund;King's Coronation Celebration Grant; cost of living grants

## £££ Supporting the Council's cost of living response

including providing additional support to foodbanks and establishing a network of over 30 warm and welcoming spaces

## Reducing the Council's carbon footprint by 60%

## Sustaining and growing excellent services for schools

Delivery of free swimming lessons to over 1,000 children through the 10x10 scheme.

## Successfully attracting customers to come back

to our facilities post Covid eg Leisure Centres and The Place Theatre and encouraging visitors to return to the Borough through Visit Telford

## Delivering an expanded community events programme

including co-ordinating activity across the Council for the **King's Coronation** and delivering new events, such as the We are Telford Drone Show and festive gardens

Telford & Wrekin Co-operative Council

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# Welcome to Education and Skills - Our Service Strategy

Welcome to our Service Strategy, which shows how Education & Skills will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.

## About us:

The Education and Skills team is the key service link to schools, settings, colleges and training providers. Our purpose is to promote high aspirations for Children and Young People, including those in the care of the local authority and those with Special Educational Needs and Disabilities, from early years through to adulthood. As a local authority, we have a responsibility for all our children in all schools and academies across the borough and we are committed to working in partnership with them to provide the highest standards of education for children and young people. We also work with stakeholders such as colleges, training providers and employers offering education and training opportunities so that young people can progress well and secure successful outcomes.

## Meet the team:



**Jo Britton**
Executive Director:
Children's & Family Services



**Simon Wellman**
Director: Education and Skills



**Andy Cooke,** Alternative Provision and Children in Care
The team are responsible for working with and supporting schools, young people and their families when children and young people are in need of additional support to enable them to engage successfully in their learning. In particular, the team supports in the following ways:

- To provide a range of alternative provision and interventions for those young people for whom full time mainstream provision is not appropriate and to support those young people to make transitions back into mainstream or into further education
- Responsibility for Ensuring that the Linden Centre and Student Engagement ProgrammesProgramme, as part of the Alternative Provision offer, provide a high quality educational offer
- To commission Key Stage 4 Alternative Provision at Kickstart from the Learning Community Trust
- To build capacity and skills in schools to manage behaviour effectively, using strategies which recognise children's wider adverse experiences. Developmenttrauma informed and implementationrelational practice. Implementing the principles of the 'Belonging Strategy' in schools to support this work
- Facilitating the Fair Access Panel to ensure 'Hard to Place' young people are allocated to appropriate provision and placements of children
- Ensuring that childrenimplement additional support to allow young people to be successful in caremainstream schools
- Ensuring that Children in Care are attending, achieving and making good progress through the work of the Virtual Head teacher and Virtual School Education Advisers and Education Officers Team



**Liz Smith,** Achievement and Enrichment
This service area is responsible for ensuring that every child in the borough can access good quality education and childcare. Teams in this area are responsible for delivering the following services:

- Oversight of the performance of pupils in all of our schools and of the outcomes for maintained schools at OFSTED inspection
- Statutory monitoring and support of maintained schools in line with the Local Authority's 'Securing School Improvement Policy'
- School governance services including legal advice & support and governor training
- Strategic delivery of early years and childcare provision and advice and support to early years providers both in schools and across the private and voluntary sector to ensure high quality provision
- Advice to schools and Early Years providers on safeguarding issues and the management of OFSTED qualifying complaints
- The monitoring of educational provision for children educated at home
- Improving and ensuring good school attendance including delivery of the statutory guidance 'Working together to improve school attendance'
- Multicultural development services, including support for EAL pupils and the development of a curriculum which prepares pupils for life in modern Britain.

Increasing the stability of educational placements for Children in Care is key to achieving this

- Supporting Virtual School Head Teacher's extended duties. for Children with a Social Worker and previously looked after children. Ensuring that these young people are attending, achieving and making good progress – educational stability and an full time education offer is key to achieving this
- Coordinating the Councils strategy as Corporate Parents
- Ensure access to outdoor learning opportunities for children through the Arthog Outdoor Education Programmes for schools in Wales and children through Arthog Telford
- Provide support for children and young people during the main school holidays through the Happy, Healthy, Active Holiday programme.



**Natalie Bevan,** SEND and Personalisation 0-25
The Special Educational Needs and Disability (SEND) and Personalisation 0-25 service area is responsible for coordinating the local authority's statutory obligations related to the Children and Family Act, 2014 and undertaking the duties specified within the SEND Code of Practice 2015. The SEND service area includes the following teams: Educational Psychology (EPS); Learning Support Advisory Teachers (LSAT); the Special Educational Needs and Disability team; Portage and Sensory Inclusion. Key areas of activity are:

- Early intervention work, capacity building and inclusion by supporting the graduated approach that aims to build the resilience of mainstream settings to meet increasing complexity of need
- Co-production of plans and new initiatives with key stakeholders including care and health professionals, parents, children and young people. Our work is underpinned by our strategy for SEND which can be found on the local offer at www.telfordsend.org.uk Planning for longer term provision to meet need
- Education, Health and Care assessments for children and young people aged 0 to 25
- Monitoring annual reviews and managing aspects of the high need budget
- Providing additional funding to support SEND across early years, school and college settings and commissioning specialist provision where appropriate.



**Adam Womack,** Access and Sufficiency
The Access and Sufficiency service ensures all children and young people have access to educational settings. The function of the teams include:

- Coordination of all admission processes including those starting primary, junior and secondary schools; and those that apply for a school place in-year
- Providing a comprehensive admission appeals service to schools
- Home to School Transport Assistance, working closely with Transport Commissioning
- Pupil Place Planning – forecasting the number of school places required in future
- School Organisation – ensuring that the Local Authority has sufficient places to meet its statutory duty to be able to offer every child a school place, taking into account localised pressure, through the expansion and creation of schools
- Capital Building Programme – oversight of building projects in respect of our schools.



**Sue Marston,** Skills
The Skills Service Delivery Unit offers a range of services to help residents of all ages to access education, training and employment opportunities. The teams include:

- Learn Telford – adult and community learning for individuals, families in localities to access information, advice and activity to raise aspiration, educational attainment and support into learning/ employment
- Job Box and Youth Unemployment – working with all ages to increase employment, aspiration and enable young people to maximise potential and specialist support to individuals with Learning Difficulties and Disabilities to enter the job market
- Life Ready, Work Ready – linked with Job Box facilitating stronger links between employers and schools/colleges to increase quality/range of experience for young people about work and equip them for employment opportunities in borough
- National Careers Service – traded service working with those aged 20+ to support into employment
- Future Focus – traded service in schools providing information, advice and guidance to support young people into education, employment, training. Support and guidance for young people in the borough who are NEET- not in education employment or training and help them overcome barriers.



**Laura Moore,** Service Improvement and Efficiency (Children's Services)
The Service Improvement and Efficiency team works across both Children's Safeguarding and Family Support and Education and Skills, providing strategic improvement and transformation support. In summary the service is responsible for the following:

- Business Administration Support (Children's Services)
- Projects Team (Children's Services)
- Volunteering Coordinator and Volunteer Services (Children's Services)
- Equality, Diversity and Inclusion
- Business Systems (Education and Skills)
- Traded Services (Education and Skills).

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## Every child, young person and adult lives well in their community



**Our aim – all learners of all ages across the borough can access a quality education offer**

**Our key performance measures – we will assess the impact we're having by:**

- % of good or outstanding schools
- % of children in good or outstanding early year's settings
- % of pupils reaching the expected standard in Reading, Writing and Maths at Key Stage 2
- Pupil progress in reading, writing and maths reported
- Average Attainment 8 Score at Key Stage 4
- Average Progress 8
- % of children achieving a Good Level of Development (GLD)
- % of children reaching the expected standard in Phonics
- % of school attendance rate
- Performance of our disadvantaged children against their peers
- % of school attendance

**Our aim – every person across the borough is made aware of and has access to opportunities to engage in stimulating activity which improves their sense of wellbeing**

**Our key performance measures – we will assess the impact we're having by:**

- Number of attendees at community events
- Number of school admission applications responded to within 20 days

**Our aim – our children and young people are prepared for independent, successful adulthood**

**Our key performance measures – we will assess the impact we're having by:**

- Destination data at Key stage 4 and Key stage 5
- Post 16 attainment
- Rate of entry to higher education - (including specific data disadvantaged CYP & SEND?)
- Take up of apprenticeships age 16/17
- Youth Unemployment Annual population survey
- Reduction in NEETs and Not Known
- Job Box services outcomes:
  Employment
  Education and training
  Voluntary work
  Work placements

**Our aim – all residents receive the education and training to give them the skills to secure and maintain employment**

**Our key performance measures – we will assess the impact we're having by:**

- Employment rate for all ages
- Achievement % of adults who started and completed a programme of learning though Learn Telford

**Our aim – every learner is safe and feels that they belong in their setting**

**Our key performance measures – we will assess the impact we're having by:**

- % of providers and schools meeting safeguarding requirements at inspection
- % of statutory school aged children who electively home educated which is deemed unsuitable
- Rate of suspensions:
  - Primary
  - Secondary
  - Special
- Overall% of pupils receiving a permanent exclusion

**Our aim – education and childcare places are sufficient, fulfil statutory responsibilities and meets the needs of children and parents**

**Our key performance measures – we will assess the impact we're having by:**

- Number of school admission applications responded to within 20 days
- % of eligible parents accessing the free 30 hour childcare offer
- % of BAME families accessing the free 30 hour childcare offer
- Availability of information sources in languages other than English Accessibility of information – for hearing impaired / visually impaired parents/carers
- % of disadvantaged 2 year olds (low income families) who access free Early Years childcare entitlement
- % of new educational provision compliant with regulatory Standards

**Our aim – partners work together to deliver aspirations for children and young people**

**Our key performance measures – we will assess the impact we're having by:**

- % of EHCP Plans completed within 20 weeks (including exceptions)
- % of EHCPs graded good or better
- % of PEP graded good or better through QA process
- % of parents giving good or excellent feedback about EHCP assessment process (including transfers)
- % of PEPs completed termly
- % of FTEs & PEXs term on term – from EYFS up to P16
- Number of children who have opportunities to access regular outdoor learning (through schools using their own outdoor space) and at least one residential experience during school

## Everyone benefits from a thriving economy



**Our aim – the workforce is skilled and develops a professional curiosity to adapt to changing service need**

**Our key performance measures – we will assess the impact we're having by:**

- % of staff completing relevant professional training (annual)
- % of staff trained in Equality and Diversity to ensure that we are inclusive of and effectively meeting the needs of the individual needs of children and families within the borough
- Availability of alternative delivery methods to support continued professional development i.e. virtual courses, briefings, networking
- Implementation of more efficient interfaces using digital means i.e. system development enabling better data sharing



# OUR ACHIEVEMENTS

An additional
**1800 school places**
created over the last 5 years

Timely completion of
**Education, Health and Care Plans (EHCPs)**
for children with SEND

**97% children starting primary school and 95% of children moving to secondary school**
were offered one of their top 3 preferences

**Falling youth unemployment**

Continued support for
**children from Afghanistan and Ukraine**
to find school places

**Sustained reduction in NEETS**
(16-18 years olds not in employment, education or training)

**Refreshed child focused**
Corporate Parenting Strategy

**Raising achievement**
**for disadvantaged pupils**
through the RADY project

**Permanent exclusions**
significantly below national average.

The table below shows the original revenue budget for 2023/24 for the Education and Skills directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | 7,280 |
| Employees | 12,874 |
| Premises | 315 |
| Supplies and services | 2,258 |
| Support services | 3,605 |
| Third party payments | 126,796 |
| Transfer payments | 909 |
| Transport | 3,110 |
| **Total EXPENDITURE** | **157,141** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | (187) |
| Government grants | (134,046) |
| Other grants, reimbursements and contributions | (2,206) |
| Recharges to other services | (1,238) |
| Rents | - |
| Sales | (4,664) |
| **Total INCOME** | **(142,341)** |
| **NET EXPENDITURE** | **14,806** |

Telford & Wrekin Co-operative Council

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# Welcome to Finance and Human Resources - Our Service Strategy

Welcome to our Service Strategy, which shows how Finance & Human Resources will contribute to the delivery of the Council's four year programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.



**David Sidaway**
Chief Executive



**Michelle Brockway**
Director: Finance and Human Resources

## About us:

Finance and Human Resources is dedicated to working with and supporting Council colleagues, schools and partners to improve outcomes for the community. It collects income and pays invoices, which are critical to the Council's reputation with residents and businesses. Ensuring that the organisation receives accurate, timely, creative and constructive support and advice is even more critical as resources continue to reduce and services are exploring new and innovative ways to deliver savings. The teams work in accordance with legislation, relevant regulations, professional standards and our Cooperative values. The Finance and Human Resources director is the Council's Section 151 Officer.

## Meet the team:



Photo to be supplied

**Pauline Harris/Ed Rushton,** Corporate and Capital Finance

- Providing a complete financial service to the Council and external customers which includes: financial advice and guidance; income and expenditure monitoring; final accounts; budgeting and forecasting; cost modelling; income management; taxation; treasury management; financial systems support and development
- Meeting statutory requirements, including budget and council tax setting, production of the Statement of Accounts and statutory returns
- Supporting trading activities, grant bids, funding claims, and specific projects including investment programmes.



Photo to be supplied

**Tracey Smart,** Education and Care Finance
**Michelle Brockway,** Housing, Communities and Prosperity Finance

- Providing a complete financial service, to a range of key council services and external customers which includes: financial advice and guidance; income and expenditure monitoring; final accounts; budgeting and forecasting; cost modelling;
- Meeting statutory requirements, including completion of Government returns
- Supporting trading activities, grant bids, specific projects and cost improvement plans.



**Sophie Lane,** Revenues, Payments and Payroll Service

- Maximising billing and collection of income due to the council
- Providing a modern and cost effective printing and postage solution for the authority
- Provide timely and accurate payments to employees and suppliers, and maintenance of employment contracts
- Retaining existing external business and gaining new business
- Supporting the further development of the Resource Link system.

Photo to be supplied

**Hannah Preece,** Service Delivery Manager: Human Resources

- Provision of a high quality HR service internally and externally and maximising external income.

Telford & Wrekin Co-operative Council

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## A community focussed, innovative council providing efficient, effective and quality services



**Our aim – high quality, customer focussed and valued services will be delivered within budget**

**Our key performance measures – we will assess the impact we're having by:**

Customer satisfaction and retention of business from external customers

Meeting internal and external deadlines

Making correct payments on time

**Our aim – a sustainable Medium term financial strategy and medium term budget model will be developed and delivered**

**Our key performance measures – we will assess the impact we're having by:**

Completion of tax base setting (31 Jan)

Set a balanced budget and Council Tax in accordance with statutory requirements

Provision of regular financial monitoring reports to Cabinet

**Our aim – opportunities for external income will be maximised**

**Our key performance measures – we will assess the impact we're having by:**

Achieve target for external income generation

**Our aim – monies owed to the Council will be collected**

**Our key performance measures – we will assess the impact we're having by:**

% of council tax collected

% of business rates collected

% of sales ledger collected

% of housing benefits overpayments collected

Complete and return monthly VAT claim

**Our aim – teams will be effective and efficient**

**Our key performance measures – we will assess the impact we're having by:**

Ensuring APPDs and regular one to ones are undertaken

Managing sickness absence

**Our aim – systems and process that are used in service delivery will be developed and optimised**

**Our key performance measures – we will assess the impact we're having by:**

Number of self service options in ResourceLink

Minimise system downtime

**Our aim – good governance and statutory obligations will be met**

**Our key performance measures – we will assess the impact we're having by:**

Completion of statement of accounts for the Council and Nuplace

Avoidance of penalties for late submissions and statutory returns

Financial comment on all Cabinet reports

**Our aim – technical analysis and advice in relation to central government and local policy changes will be provided**

**Our key performance measures – we will assess the impact we're having by:**

Achieve balanced budget



# OUR ACHIEVEMENTS

Balanced budget assisted with the delivery of **over £156m ongoing savings** for the Council over the past 13 years

**£983k**

**External income generated** - winning new clients and maintaining vast majority of current business

Maintained tight and effective financial control with Council Spend being **within budget for the past 13 years**

**Developing and operating a VR scheme to support the Council's savings programme**

**Accurately processing £183m** of internal and external payroll transactions and **making payments totalling £386m** via 117k transactions

**"Clean" audit opinion**

**received for the Council's accounts** in all previous years where the audit has been completed

Collecting

**99.6%**

**of council tax and business rates** in previous years

Taking a lead role in the development of staff led groups to **promote and enable a more diverse and inclusive workforce**

**Supporting bids for external income**

The table below shows the original revenue budget for 2023/24 for the Finance & HR directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital Financing | 13,709 |
| Employees | 6,038 |
| Premises | - |
| Supplies and Services | 999 |
| Support Services | 2,487 |
| Third Party Payments | 9 |
| Transfer Payments | - |
| Transport | 8 |
| **Total EXPENDITURE** | **23,250** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | (520) |
| Fees and Charges | - |
| Government Grants | (216) |
| Other Grants, Reimbursements and Contributions | (5) |
| Recharges to Other Services | (6,135) |
| Rents | - |
| Sales | (1,943) |
| **Total INCOME** | **(8,819)** |
| **NET EXPENDITURE** | **14,431** |

# Welcome to Health and Wellbeing - Our Service Strategy

Welcome to our Service Strategy, which shows how Health and Wellbeing will contribute to the delivery of the Council's Plan to 'Protect, Care and Invest to create a better borough' and to the Health and Wellbeing Board's new Health and Wellbeing Strategy 2023-2027. Closing the inequalities gap is at the heart of the new Health and Wellbeing Strategy and is a key focus of our work.

**Our vision - happier, healthier, fulfilled lives**




**Borough Vision 2023 ambition – inclusive, healthy, independent lives**

The Service Strategy summarises what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.

**About us:**

Health and Wellbeing work with communities, a range of partners including the NHS and council service areas to create more resilient, happier communities to prevent poor health and reduce inequalities systematically. Some of our services such as Libraries and Healthy Lifestyles directly deliver services to the community, whilst our commissioning team are the lead for ensuring public health services are safe, sustainable, effective, integrated and outcome-focussed. Our Health Protection service leads the protection of our resident's health from a range of threats by monitoring and management of food and water and safety and infectious diseases. The Civil Resilience team works to ensure that the Council responds appropriately to and recovers from threats such as a major incident or emergencies. Our internal health and safety team provides competent health and safety advice guidance and support for all service areas across the council.



**Jo Britton**
Executive Director:
Children's and Family Services



**Liz Noakes**
Director:
Health and Wellbeing



**Meet the team:**

**Helen Onions,** Public Health

- Commission effective and efficient public health programmes and services that improve outcomes for children, young people and adults, with a particular focus on reducing inequalities
- Coordinate collaborative action to reduce health inequalities across the Council, with the NHS and other partners
- Support the NHS, the Council and other partners to make prevention and improving well-being everybody's business and managingmanage demand through an integrated whole-system approach, with a focus on children and young people
- Develop and co-ordinate partnership strategies across partners on the best start in life agenda and to tackle such issues such as domestic abuse and drugs and alcohol misuse that willto make a difference to the wellbeing of vulnerable residents
- Provide Healthcare Public Health advice to the local Integrated Care System.



**Louise Mills,** Health Improvement and Libraries

- Delivery of 'Live Well' and 'Ageing Well' programmes aimed at encouraging healthy lifestyles and improving mental wellbeing
- Oversee delivery of our partnership strategy for Healthy Weight
- Embed prevention and health promotion into the everyday practice for health and care staff and volunteers
- Delivery of public health campaigns aligned to our priorities
- Embed health improvement advice and lifestyle interventions within clinical pathways
- Embed preventative approaches and signposting to health improvement interventions across adult social care practice and the development of community based support
- Deliver the statutory library service working with partners inside and outside the Council to create libraries as vibrant community hubs.



**Nicky Minshall,** Health Protection

Nicky leads the Health Protection Service that includes the Food, Health and Safety team, Health Protection hub, Corporate Health and Safety and Civil Resilience team.

- Our Health Protection hub leads and delivers the Council's response to threats to Public Health including Covid-19 and other infectious diseases.
- Our Food, Health and Safety team protects health, safety, economic and environmental wellbeing and quality of life through monitoring and management of food and water and safety and infectious diseases.
- Our internal Health and Safety team provides competent health and safety advice, guidance and support for all service areas across the Council
- Our Civil Resilience team ensure the Council is able to respond to emergencies:
  - o Enable the Council to be ready to respond in an emergency
  - o Enable the Council and the Community to recover from an emergency
- Ensure the Council is able to operate critical services during an emergency or business continuity event.

Telford & Wrekin Co-operative Council

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## Every child, young person and adult lives well in their community



**Our aim – improve health outcomes for children and young people especially focussing on the early years**

**Our key performance measures – we will have an impact by:**

- Reducing levels of maternal and childhood excess weight and obesity
- Reducing smoking rates amongst pregnant women and their families
- Improving breastfeeding rates
- Increasing the number of children and families who are active
- Reducing teenage conception rates
- Increasing the number of infants achieving their expected level of development
- Continuing to improve the effectiveness and reach of our commissioned Health Child Programme

**Our aim – support people to stay healthy, active and resilient**

**Our key performance measures – we will have an impact by:**

- Reducing levels excess weight and obesity
- Increasing the number of people being active
- Increasing the number of people who quit smoking – particularly those in routine and manual occupations
- Increasing the uptake of early detection or prevention programmes such as screening/reviewing and relaunching the NHS Health Check programme
- Increasing the reach and engagement of our public health messaging via our Healthy Telford social media platforms

**Our aim – to continue to provide a library offer for our residents that is vibrant and community-centred**

**Our key performance measures – we will have an impact by:**

- Increasing the number of active borrowers and frequency of visits to our libraries
- Reducing the impact of loneliness on our residents
- Supporting the Community Libraries and increasing the number of people actively volunteering in libraries

**Our aim – to reduce health inequalities by working collaboratively across the Council and Health and Wellbeing partners**

**Our key performance measures – we will have an impact by:**

- Improve overall healthy life expectancy in men and women
- Narrow the gap in life expectancy between deprived and more affluent parts of our communities
- Narrow the inequalities gap in life expectancy for people with serious mental health problems

**Our aim – the mental health and emotional health and wellbeing of our residents will improve**

**Our key performance measures – we will have an impact by:**

- Increasing the number of people actively volunteering in our services and other health improvement roles
- Reducing loneliness and social isolation
- Promote 'Five Ways to Wellbeing' and other campaigns to improve wellbeing
- Working with partners to reduce the number and impact of suicides amongst our residents

**Our aim – to commission high quality, innovative and integrated services across public health services to narrow inequalities and improve health outcomes**

**Our key performance measures – we will have an impact by:**

- Increasing number of people receiving brief advice and entering alcohol treatment
- Continuing to improve treatment and recovery outcomes for people who misuse alcohol and drugs
- Maintaining our low rates of sexually transmitted infections
- Increasing the number of people affected by domestic abuse who receive support
- Raising awareness of how residents can access relevant treatment and support services

**Our aim – to reduce the harm to residents caused by infectious diseases and other threats to health and respond effectively to incidents, outbreaks and emergencies**

**Our key performance measures – we will have an impact by:**

- Maintaining a high level of monitoring & management of food and water and safety compliance within the borough
- Reducing the harm caused by infectious diseases
- Working internally and with partners to protect the health of key at-risk groups such as migrants and homeless people
- Responding to incidents, outbreaks and emergencies in a timely and effective way
- Maximising the uptake of immunisation programmes focussed on narrowing inequalities
- Ensuring our communities are supported and the council's critical services are maintained during emergencies and subsequent recovery phases
- Working both internally and externally, enabling people to be safe and well at work
- Increasing reach and engagement of public health messaging to protect yourself, your family and your business



# OUR ACHIEVEMENTS

**Provided direct practitioner support to 22 schools through our Health & Wellbeing Programme**
as part of our approach to tackling childhood obesity. A further 40 schools have benefitted from information, advice and guidance through our universal offer available to all schools

**95% of babies received a new birth visit by a Health Visitor within 14 days**
and 86% received checks at 6-8 weeks – both above the England average. The number of babies receiving their 12 month check (84%) improved during 2022/23

**Numbers in alcohol treatment have increased**
and treatment outcomes are **better than national average**
and within top 20% of LAs in the country

**1125**
**Food Inspections undertaken.**
Food Safety Authority Recovery Programme targets have been achieved and exceeded

**Launched the Telford and Wrekin new Domestic Abuse Service**
**462 frontline workers across 80 partner organisations**
received domestic abuse training and 107 domestic abuse workplace ambassadors trained – the majority of primary schools and GP surgeries now have an ambassador

Our library services attracted
**XXX**
'Active Borrowers' - this sees the service **returning to pre-covid borrower rates**

**113 H&S Audits carried out**
in our buildings, schools and service areas

LET'S GET TELFORD HEALTHY
Supported
**2,400**
**residents to make steps to improve their lifestyle**

**3,500**
**engaged in our community led health inequalities projects**

The table below shows the original revenue budget for 2023/24 for the Health, Wellbeing and Commissioning directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | - |
| Employees | 3,415 |
| Premises | 56 |
| Supplies and services | 8,099 |
| Support services | 1,623 |
| Third party payments | (29) |
| Transfer payments | - |
| Transport | 22 |
| **Total EXPENDITURE** | **13,244** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | - |
| Government grants | (9,590) |
| Other grants, reimbursements and contributions | (60) |
| Recharges to other services | (1,495) |
| Rents | - |
| Sales | (149) |
| **Total INCOME** | **(11,294)** |
| **NET EXPENDITURE** | **1,950** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Welcome to Housing, Employment and Infrastructure - Our Service Strategy

Welcome to our Service Strategy, which shows how Housing, Employment & Infrastructure will contribute to the delivery of the Council's programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes, what we want to achieve in future – our strategic aims – and how we will show we are having an impact – our key performance indicators. The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.

## About us:

Housing, Employment and Infrastructure brings together strategic and frontline services that have a major influence on the physical and economic growth and success of the Borough and ensuring that all residents are able to benefit whether through employment or housing choice. Our Services include frontline delivery of housing support and advice to prevent and relieve homelessness, managing the Council's privately rented and specialist housing stock, commissioning housing solutions including through housing associations and developers to deliver housing that reflects the needs of all our communities. Through the work of our Private Sector Housing Team working to drive up the quality and condition of housing across all tenures and tackle empty properties.

Alongside this we work directly with existing businesses from start up to multi nationals to support their resilience and growth and to promote the Borough to new investors delivering new jobs and commercial opportunities for the Borough and the Council. The Service is leading on the regeneration of our Borough Town High Streets through Pride in Our High Street and working with our colleges, Universities and skills providers to deliver the skills and training needed by our employers and to increase employment opportunities.

The Service is also responsible for establishing long term land use strategy – the Telford & Wrekin Local Development Plan. This sets out the scale and location of new housing and employment development, greenspaces and infrastructure and policies that support corporate priorities including health and wellbeing, climate change, housing need and regeneration influencing the growth of the Borough over the next 20+ years.



**Angie Astley**
Executive Director: Housing Communities and Customer Services



**Katherine Kynaston**
Director: Housing, Employment and Infrastructure



## Meet the team:

**Kathy Mulholland,** Business Support and Inward Investment

- Delivering business support to all businesses from start up to multi nationals
- Engaging with investors, regional and national agencies and across services to bring new companies into the borough creating jobs and supply chain opportunities
- Marketing and promoting the Borough to investors across all sectors
- Account management of existing companies to support opportunities for expansion and diversification
- Delivery of employment support services to businesses supporting growth or changing employment requirements, including Job Match and Work Local
- Delivering a range of projects to support economic regeneration including Pride in Our High Street
- Maximising value to the Borough through relationships with economic partners/bodies e.g. Telford Business Board, Chamber, Federation of Small Businesses and the Marches Local Enterprise Partnership
- Managing Telford's UK Shared Prosperity funds



**Toni Guest,** Housing Solutions

- Providing housing advice and support to all residents
- Delivering advice and support to prevent people becoming homeless and support those who are homeless to find long term housing solutions.
- Working across services to develop support for those fleeing domestic abuse and with complex needs
- Providing a property management service for residential properties owned and managed by the Council and on behalf of Nuplace
- Supporting vulnerable residents to live independently at home, for longer through the adaptation of properties and provision of housing grant support.



**Gavin Ashford,** Strategic Planning

- Delivering the Telford & Wrekin Local Development Plan setting the land use planning framework for the borough to 2040 establishing where new development will be located
- Establishing new land use policy that supports the delivery of corporate priorities including supported & specialist housing, accessible greenspaces and carbon reduction
- Enabling the delivery of new infrastructure that supports corporate priorities including economic growth, the Local Transport Plan, Climate Change, Health & Wellbeing Strategy and addressing inequalities between communities
- Supporting the delivery of Neighbourhood Development Plans by Parish and Town Councils.



**Ravi Phull,** Strategic Housing and Regeneration

- Delivering a long term housing strategy that ensures the development of the right accommodation for residents throughout their lives
- Commissioning and influencing market delivery of accommodation that meets local housing needs including for adult social care, vulnerable children and families and to address homelessness
- Commissioning accommodation solutions through the Council's Housing Investment Programme and directly by the Council as a Registered Provider
- Management of allocations and referrals into existing accommodation including social housing, across all vulnerable groups
- Driving up the standards of private rented housing through the Better Homes for All initiative
- Improving the energy efficiency of homes by providing grants to address fuel poverty, advice and support and contributing to our net zero carbon targets
- Working to bring long term empty properties back into use
- Helping home owners and private tenants remain safe, secure, comfortable and independent in their own homes
- Delivering a range of place based projects to support physical, social and economic regeneration and levelling up communities.

The table below shows the original revenue budget for 2023/24 for the Housing, Employment and Infrastructure directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | - |
| Employees | 3,472 |
| Premises | 106 |
| Supplies and services | 2,925 |
| Support services | 1,464 |
| Third party payments | 618 |
| Transfer payments | - |
| Transport | 12 |
| **Total EXPENDITURE** | **8,597** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | (324) |
| Government grants | (2,327) |
| Other grants, reimbursements and contributions | (674) |
| Recharges to other services | (1,480) |
| Rents | (840) |
| Sales | (793) |
| **Total INCOME** | **(6,438)** |
| **NET EXPENDITURE** | **2,159** |

Telford & Wrekin Co-operative Council

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## All neighbourhoods are a great place to live

**Our aim – stronger, sustainable communities and neighbourhoods will be created and inequality will be tackled through place shaping**

**Our key performance measures – we will have an impact by:**

Delivering the review of the Local Plan setting the policy context for sustainable growth to 2040

Maintaining support to Parish & Town Councils choosing to develop Neighbourhood Plans

Contributing to the delivery of new housing completions above adopted Local Plan targets

Enabling an increase in the proportion of affordable homes delivered in the Borough

Implementing Supplementary Planning Guidance to deliver more Supported & Specialist Accommodation

Working across services and with government agencies and partners to identify and lobby for investment into estate renewal plans with an initial focus on Sutton Hill

**Our aim – our most vulnerable residents will be empowered through housing choices for all to support independence, health and wellbeing**

**Our key performance measures – we will have an impact by:**

Delivering a new Framework for Providers of Supported Accommodation maximising opportunities to access provision for our most vulnerable groups

Increasing the number of successful nominations with our Registered Providers (Housing Associations) increasing housing choice for those in housing need

Directly delivering schemes through our Registered Provider status that meet the needs of our most vulnerable groups

Shaping market delivery of homes that meet need by Nuplace and through development management (planning)

Improving our customer experience by establishing a single 'front door' for all housing services including supported accommodation

Increasing the number of disabled facilities grants and wellbeing grants provided to support vulnerable people live at home, independently for longer

Enabling the development of a range of new specialist and supported and move on accommodation tailored to reflect the needs within our communities including a focus on:

- Care leavers
- Adults with Learning Difficulties
- Rough Sleepers
- Physical Disabilities
- Adults with Mental Health issues

Working with Children's Services to deliver a new Housing Protocol to ensure the right support and accommodation solutions are developed for vulnerable young people

Enabling the delivery of housing suited to older residents that supports independent living

**Our aim – homelessness and rough sleeping will be tackled through prevention, support and facilitating housing solutions**

**Our key performance measures – we will have an impact by:**

Maintaining prevention and relief from homelessness by:

- Number of homelessness clients prevented from becoming homelessness
- Number of clients relieved from homelessness

Continued delivery of Telford Housing First

Maintaining the number of people provided with help and advice on their housing options

Increasing the number of units of emergency accommodation for those fleeing from domestic abuse

Increasing the number of temporary accommodation units owned by Telford & Wrekin Council to reduce the usage of bed and breakfast

Reducing average time spent in temporary accommodation for clients the Council has a duty to support

Reviewing and relaunching the strategic Housing Partnership and networks to drive delivery of housing strategy and ensure priorities continue to meet customer needs

Delivering the Homelessness Strategy

**Our aim – better homes will be delivered for all**

**Our key performance measures – we will have an impact by:**

Increasing the number of long term empty homes brought back into use

Reducing fuel poverty through targeted interventions to increasing energy efficiency of properties supporting climate change and health inequalities

Working with partners, increase the number of residents receiving support and advice and number of grants accessed by residents to reduce fuel poverty

Increasing the number of private rented properties inspected both reactively and proactively and ensuring they are free from category 1 hazards

Increasing the number of Houses in Multiple Occupation (HMO), licensed

Ensuring all our supported accommodation providers are vetted and providing the correct level of support in safe and healthy properties, thus helping to reduce our housing benefit subsidy losses

Meeting targets for void and rent collection as part of our responsibility for managing the 460+ Nuplace and Telford & Wrekin Homes property portfolio

Contributing to the Safer Stronger Communities Programme establishing measures to improve stock condition and landlord practice in target areas

## Everyone benefits from a thriving economy

**Our aim – the business community will be more resilient and productive and entrepreneurship and innovation will increase**

**Our key performance measures – we will have an impact by:**

Increasing the number of business engagements

Increasing the number of businesses supported via the Growth Hub

Increasing the number of business start ups supported

Developing new ways to connect businesses to new markets and support diversification including through our app – Hello Telford

Delivering Place Plans for our Borough Town High Streets (Dawley; Madeley; Wellington; Oakengates; Ironbridge and Newport)

Bringing more empty premises in our Borough Towns back in to use supporting the diversification and resilience of our High Streets

**Our aim – growth and investment will increase**

**Our key performance measures – we will have an impact by:**

Increasing the number of new businesses investing in the Borough either domestic or foreign direct investment

Increasing the number of existing businesses investing to expand in the Borough

With business leaders and stakeholders driving delivery of our new Invest Telford Economic Development Strategy

Publishing a new Economic Prospectus for the Borough driving Telford's ambitions for growth and investment and economic recovery

Supporting the implementation of the Telford Town Deal £22.3m Investment Plan
Delivering our UKSPF business support programme – Thrive Telford

Lobbying and bidding for further Government investment to support Levelling Up

**Our aim – employment opportunities for all our communities will be created and skills will be tailored to business need**

**Our key performance measures – we will have an impact by:**

Ensuring that skills provision meets the needs of businesses across all sectors, with a particular focus on non-apprenticeship, short and modular training provision

Reviewing and streamlining employability related training provision

Continue to support businesses to raise their profile locally by helping them create engaging video and other marketing content

Increase the direct engagement of businesses with hard to reach communities through Work Local

Tackle barriers to employment by working with the Council's Transport Service to create transport solutions to better connect job seekers with job opportunities

## The natural environment is protected and the Council has a lead role in addressing the climate emergency

**Our aim – to provide the framework and direct opportunities for carbon neutral development in the borough in support of the Council's Climate Change Action Plan**

**Our key performance measures – we will have an impact by:**

Establishing policies through the review of the Local Development Plan that support increased biodiversity, green infrastructure and energy efficient development in the borough

Retrofitting Council owned residential accommodation to increase energy efficiency and reduce carbon emissions

Implementation of measures set out in the Council's Affordable Warmth Strategy

## A community-focussed, innovative council providing efficient, effective and quality services

**Our aim – we will innovate and seek the best ways to deliver housing services and employment opportunities that are responsive to community need and benefit all residents of the borough**

**Our key performance measures – we will have an impact by:**

Engaging local communities in the planning process supporting parishes with Neighbourhood Plans

Taking a data and intelligence led approach to service delivery that seeks to address inequalities across our communities

Engaging with key partners and service users in the development of services including businesses and representative bodies, Developers and Housing Associations, Wrekin Landlords Association and tenants and the Homelessness Task Group

Ensuring regular team, individual and annual performance discussions are undertaken with all staff and workforce planning is embedded in Business Plans

# OUR ACHIEVEMENTS

**1st local authority to adopt**
Supported & Specialist Supplementary Planning Document
**Homes for All**

**Inspecting 500+**
**private rented properties**
ensuring they are
**hazard free and supporting tenants**

**Prevented or relieved 929 clients from homelessness**
in 2023/24 and provided advice to over 3400 resident.

Delivering
**23 Telford 'First Homes'**
**supporting ex Roughsleepers**
to rebuild their lives

Bringing
**200 long term empty properties**
**back into use**

Bringing
**£5m+ funding**
delivering
**900 energy efficiency measures**
in residents homes

Grant funding the set up of
**60 new high street businesses**
through PiOHS to date

Supported
**local decision making**
through the adoption of
**neighbourhood plans**

£££

**Attracting £4.77m ERDF grants**
for businesses growth supporting **over 400 new jobs**

Telford & Wrekin Co-operative Council

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# Welcome to Neighbourhood and Enforcement Services - Our Service Strategy

Welcome to our Service Strategy, which shows how Neighbourhood and Enforcement Services contributes to the delivery of the Council's vision to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our achievements), what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.



**Angie Astley**
Executive Director:
Housing, Communities and Customer Services



**Dean Sargeant**
Director:
Neighbourhood and Enforcement Services

## About us:

Neighbourhood and Enforcement Services deliver services that support, enhance and protect both our communities and built environment across the borough. Many of our services such as highways, waste, grounds and cleansing are delivered through external partners which is supported through an extensive network of volunteers (Street Champions) as well as our Town and Parish Councils. Through Pride in Our Community, our Service works with local people to create a better, safer borough for everyone.

## Meet the team:



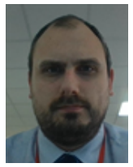
**Anita Hunt,** Group Manager: Public Protection

- The Trading Standards team are responsible for a wide range of consumer protection legislation including weights and measures, product safety, illicit and counterfeit goods, animal health and welfare and age restricted goods. They support local business and protect consumers by investigating fraudulent trading practices and activities that cause serious financial detriment.
- Our licensing team are responsible for the administration and enforcement of a wide range of licences, permits and registrations including taxi licencing and premise licensing.
- The team also play an important role in supporting the night time economy while undertaking a key role in Multi-Agency Targeted Enforcement (MATES) activity.



**Paul Fenn,** Neighbourhood Enforcement Manager

- Neighbourhood Enforcement and Anti-Social Behaviour teams use regulatory powers and CCTV to tackle environmental crime, fly tipping, nuisance vehicles, civil parking enforcement and antisocial behaviour whilst overseeing the councils work on supporting our Gypsy and Traveller community.
- In some cases enforcement activity is supported by working in partnership with our Town and Parish Councils through the Community Action Team.
- The team also undertake Environmental Protection duties that include air quality monitoring along with responding to complaints from excess noise and dust.



**Matt Powell,** Service Delivery Manager: Strategic Transport and Highway Network Management

- The Passenger Transport team provide transport services children and young people to travel to school or college as well as vulnerable adults accessing My Options.
- Our Road Safety team deliver projects to promote active travel such as safe routes to school and cycleway improvements. This is complimented by the delivery of Road Safety Education training including Bikeability, Stepping Out and Independent Travel Training.
- The Transport Strategy team engage with Public Transport partners including both rail and bus operators to promote, develop and support the use of public transport across the borough (and beyond). This team also manage and develop Transport Strategy and Policy while leading on bids for external funding to deliver transport and infrastructure improvements across the borough.
- The Streetworks and Network Management team manage street works and road availability working jointly with utility companies, developers and internal contractors to keep Telford on the move.



**Adam Brookes,** Service Delivery Manager: Highways, Engineering and Project Delivery

- The team are responsible for inspection and management of highway assets including roads, footpaths, structures, street lighting and drains and manage a variety of highway and engineering projects. Gritting of the highway as well as 24hr emergency response is also delivered by this team.
- The team deliver a variety of highway improvement schemes including traffic management, road safety and large civil engineering projects through our delivery partner Balfour Beatty Living Places.
- Land stability in the Gorge, decommissioned landfill sites and inspection of spoil mounds across the borough and well as flood risk management is also a key part of delivery.
- The team offer a variety Civil Engineering Services to internal and external clients which includes ground investigations, site surveys, design, project management and site supervision.



**Debbie Germany,** Service Delivery Manager: Strategic Waste and Neighbourhood Services Performance

- The strategic waste team work in partnership with Veolia to manage and operate our household waste and recycling collection services including our household recycling centres. The team work in partnership with Veolia to increase our recycling rates year on year.
- Working partnership with idverde, the team delivers our borough wide Grounds and Cleansing Service. In some cases, maintenance of public realm maintenance and enhancement is supported by working in partnership with our Town and Parish Councils through the Community Action Team.
- The team oversee the management and maintenance of formal and informal parks, open spaces, trees & woodland, play areas, civic spaces and residential areas. This also includes attaining and maintaining Green Flag status in our borough parks.
- This team provides project management support and oversees major procurements within Neighbourhood and Enforcement Services Performance management and business support.



**Jas Bedesha,** Service Delivery Manager: Safer, Stronger and Cohesive Communities

- This team is responsible for the delivery of the Building Safer and Stronger Communities Programme working in partnership with a variety of internal and external stakeholders including residents, the Police and Crime Commissioner and West Mercia Police.
- The team take a lead role in White Ribbon while delivering initiatives that support of Violence Against Women and Girls.
- As a key part of the Community Safety Partnership, this team supports council services and public sector agencies to create a multi-functional team, to tackle local issues.
- The team also leads on supporting various government refugee/evacuation programmes including Syrian, Afghan and Ukraine.
- The team lead on Prevent, Serious Violence Duty and work closely with partners to maintain community cohesion in the borough.

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## All neighbourhoods are a great place to live



**Our aim – communities take pride in their neighbourhood**

**Our key performance measures – we will assess the impact we're having by:**

- Percentage of residents who are satisfied with the condition of the highway
- Percentage of residents who are satisfied with street lighting
- Increase in the usage of Bulk Collection Service
- Decrease the number of fly tips Reported to the council
- Decrease in the number of anti-social behaviour reports to the council

**Our aim – the borough is well connected and keeps moving**

**Our key performance measures – we will assess the impact we're having by:**

- Percentage of A Roads requiring maintenance
- Percentage of B & C Roads requiring maintenance
- Percentage of U Roads requiring maintenance
- Percentage of residents who are satisfied with public transport

## A community-focussed, innovative council providing efficient, effective and quality services



**Our aim – we all work together to create a better borough**

**Our key performance measures – we will assess the impact we're having by:**

- Decrease in recorded crime across the borough
- Decrease in the number of missed household waste collections
- Maximising social value commitments from partners

## Everyone benefits from a thriving economy



**Our aim – communities and businesses across the borough are supported and protected**

**Our key performance measures – we will assess the impact we're having by:**

- Highway safety is improved for all users
- Completion of multi-agency enforcement exercises undertaken with partners

## Our natural environment is protected and the council has a leading role in addressing the climate emergency



**Our aim – all outcomes will contribute to tackling the climate emergency**

**Our key performance measures – we will assess the impact we're having by:**

- Increase in the borough's household recycling rate
- Residual waste will reduce year on year
- Reduction in average delay on 'A' roads
- Concentration of PM2.5 will be below national thresholds
- Increase in the number of public electric vehicle charge points

# OUR ACHIEVEMENTS

**Household recycling has increased to 48.2%**
well above the England rate

Ranked **1st** in **West Midlands**
for overall satisfaction with Highways and Transport

Supported **55 MATES operations**

Delivered **17% reduction in fly tipping reports**

Delivered a **30% reduction in ASB reports**

Established **Urban Games**
a **free** activity/sport programme during school holidays

Achieved **2 Green Flag Awards**
taking our total to 5

Supported **over 400 evacuees**
arriving in Telford

Over **104,000 passenger trips**
completed on Council funded bus services

The table below shows the original revenue budget for 2023/24 for the Neighbourhood and Enforcement Services directorate.

| EXPENDITURE £'000 | |
|---|---|
| Capital financing | 6,748 |
| Employees | 6,895 |
| Premises | 2,245 |
| Supplies and services | 2,995 |
| Support services | 4,164 |
| Third party payments | 22,479 |
| Transfer payments | - |
| Transport | 243 |
| **Total EXPENDITURE** | **45,769** |

| INCOME £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | (632) |
| Government grants | (833) |
| Other grants, reimbursements and contributions | (980) |
| Recharges to other services | (3,611) |
| Rents | (391) |
| Sales | (5,312) |
| **Total INCOME** | **(11,759)** |
| **NET EXPENDITURE** | **34,010** |

Telford & Wrekin Co-operative Council

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# Welcome to Policy and Governance - Our Service Strategy

Welcome to our Service Strategy, which sets out the ways in which Policy and Governance will contribute to the delivery of the Council's programme to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent achievement, what we want to achieve in future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.



**David Sidaway**
Chief Executive



**Anthea Lowe**
Associate Director:
Policy and Governance

## About us

Policy and Governance acts as a 'critical friend' to colleagues, external partners and community groups by supporting and challenging the Council to deliver its corporate priorities.

## Service Vision

Working together to provide a high-quality, customer-focussed service to ensure strategic organisational delivery within a good governance framework whilst supporting the delivery of a balanced and sustainable budget.

## Meet the team:



**Jon Power,** Policy and Development:

**Rachel Barlow,** Organisational Development is responsible for working with and supporting SMT to deliver the Council's Workforce Development Strategy. This includes the following:

- Service and workforce planning
- Wellbeing of Employees including staff wellbeing events
- Employer of Choice (inc. employee benefits and discounts)
- Delivery of the annual Employee Awards ceremony
- Developing and delivering a programme to support the development of the Council's current and future workforce. This includes managing OLLIE (the Council's learning management system), commissioning specific face to face training, managing the Council's Apprenticeship and Supported Employment Programmes.

**Lisa Jones,** Partnership Management supports the functioning and development of the Council's key statutory partnerships to deliver the Council's priorities. This includes the Health and Wellbeing Board, Community Safety Partnership, Adults and Children Safeguarding Boards and delivery of the commitments made under the Armed Forces Covenant

**Helen Potter,** Insight Team focuses on developing an evidence base for the whole organisation to support strategic planning, workforce development and the delivery of the Council's priorities. This includes service performance data and information about the Borough. More recently, this also includes work to analyse, and provide information in relation to, the Oflog indicators.



Photo to be supplied

**Richard Phillips,** Legal and Democracy:

**Kirsty Fisher,** Children and Adults Team, Legal Services

- The Children and Adults Team provides legal support, advice and representation in relation to children's safeguarding, adult services, special educational needs, employment and education matters.

**Sarah Hardwick,** Litigation and Regulatory Team, Legal Services

- The Litigation and Regulatory Team provides legal support, advice and representation in respect of a variety of matters including licensing, planning, criminal prosecutions, housing, debt recovery and public protection matters. They also provide advice to relevant committees in respect of regulatory functions.

**Emma Harvey,** Property and Commercial Team, Legal Services

- The Property and Commercial Team provides advice and legal support relating to property transactions, contracts, procurement and strategic development. All teams also provide advice on governance matters and provide training to officers and members on a wide range of matters.

**Sharon Tipping,** Business Support Team, Legal Services

- The Business Support team provides a support function to the Legal Services team by ensuring an effective risk management framework is in operation, providing quality assurance and administrative support.

**Phil Griffiths,** Elections Team

- Elections delivers the electoral registration function for the authority and delivers all elections; general elections, local elections, Police and Crime Commissioner and Town/Parish Council elections. It is also responsible for undertaking referendums and parish polls. The team also undertakes an annual canvass to ensure that as many people as possible are registered, and can exercise their democratic right, to vote.

**Anna Plummer,** Democracy Manager

- Democratic Services and Job Evalutation provides support to the Mayor and Members by way of arranging training, managing the Member Development and Support Strategy and managing civic events. The team is also responsible for arranging Council and Committee meetings, preparing the agendas for these meetings and meeting statutory timescales for publication. It also provides a statutory Scrutiny Officer role and supports scrutiny committee members to make recommendations to Cabinet on matters of importance to the local community.
- Job Evaluation is responsible for carrying out job evaluations to support the Council's strategic aims.



**Rob Montgomery,** Audit and Governance Team

- Internal Audit provides assurance on governance, internal controls and risk management by delivering a programme of audit activity which considers how improvements could be made within the organisation to minimise risk (financial and reputational). It also provides a school funds audit function to educational establishments.
- Information Governance works with colleagues within the organisation to administer requests received under the Freedom of Information Act and similar legislation. It also provides advice on information management and identifies measures to limit the risk of data breaches occurring.
- Insurance provides advice on insurance-related matters and administers claims made against the organization.
- The Investigation team provides advice on, and investigates allegations of, fraudulent activity against the Council. It supports a number of internal services including social care, revenues and benefits and human resources.

Photo to be supplied

**Robyn Hill,** SMT and Cabinet Support Teams

- Provides comprehensive administrative support to Senior Management Team and Cabinet Members.

Telford & Wrekin Co-operative Council

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## A community-focussed, innovative council providing efficient, effective and quality services

**Our aim – the most effective and efficient ways of working will be undertaken using digital solutions where possible**

**Our key performance measures – we will assess the impact we're having by:**

- % of electoral registrations undertaken electronically
- % of compliance with Lexcel framework to maintain Lexcel accreditation
- % of job evaluation requests completed within 10 working days
- Number of FOI requests responded to within statutory deadlines
- Number of SAR requests responded to within statutory deadline
- IG related total income from external organisations per year
- Internal Audit related total income from external organisations per year

**Our aim – good governance and decision making will be supported by evidence**

**Our key performance measures – we will assess the impact we're having by:**

- Savings realised per year through fraud investigation
- % of the Internal Audit Plan completed each year
- % of Ombudsman complaints responded to within stated deadlines
- % of Internal Audits with improved audit result upon review
- % of insurance liability claims successfully defended
- Number of Members issued with digital equipment to undertake role
- % of 'good' or 'excellent' feedback from those attending training on the Member training courses

**Our aim - democratic engagement in local communities will be improved**

**Our key performance measures – we will assess the impact we're having by:**

- % of residents registered on the electoral register
- % of online canvass responses received and processed annually
- % of scrutiny recommendations implemented by Cabinet
- Number of electoral engagement sessions undertaken with key organisations

**Our aim – our reputation for being an effective partnership and collaborative will be good**

**Our key performance measures – we will assess the impact we're having by:**

- % of 'good' or 'excellent' feedback from clients responding to feedback request

**Our aim - members will fulfil their community leadership role**

**Our key performance measures – we will assess the impact we're having by:**

- % of attendance from Members at training session
- % of 'good' or 'excellent' feedback from Member training sessions
- % of Member enquiries responded to within timescale set out in Member Inquiry Process
- % of response to Member Satisfaction Survey

**Our aim – the organisation will be people-centric**

**Our key performance measures – we will assess the impact we're having by:**

- % of Annual Personal Performance and Development Discussions completed
- % of employees who have completed their essential learning
- % of new starter inductions completed within corporate timescale
- Number of management development courses completed per year
- Number of employees accessing coaches
- Number of coaching hours completed per year
- % of exit interviews completed per year
- Number of apprenticeships provided by the Council and schools per year
- Number of higher level apprenticeships completed by the Council and schools per year
- Number of work experience placements completed per year

**Our aim – the PA support service to the Senior Management team will be of a good quality**

**Our key performance measures – we will assess the impact we're having by:**

- Feedback from Senior Managers and Cabinet Members

# OUR ACHIEVEMENTS

**£120k+**
income generated 2021/2022

Achieved first Landlord **Banning Order** in England preventing a rogue landlord from renting out properties

Introduction of **automated email system to support** good information governance processes

Lexcel Practice Management Standard Law Society Accredited

Re-accredited with Lexcel with the **best ever inspection result**

**Highest ever level** of canvass responses

ARMED FORCES COVENANT

**Improved Armed Forces work** with recruitment of Outreach Worker

Partnership Threshold refresh Conference held for **100+ practitioners**

WELCOME

Launched **new induction programme** with Leader and Chief Executive

**Successful insight support to SEN inspection** to achieve best possible outcome

The table below shows the original revenue budget for 2023/24 for the Policy and Governance directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | 1 |
| Employees | 4,219 |
| Premises | 5 |
| Supplies and services | 2,089 |
| Support services | 1,469 |
| Third party payments | - |
| Transfer payments | - |
| Transport | 11 |
| **Total EXPENDITURE** | **7,794** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | - |
| Government grants | (41) |
| Other grants, reimbursements and contributions | - |
| Recharges to other services | (6,435) |
| Rents | - |
| Sales | (638) |
| **Total INCOME** | **(7,114)** |
| **NET EXPENDITURE** | **680** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Welcome to Prosperity and Investment - Our Service Strategy

Welcome to our Service Strategy, which shows how Prosperity and Investment will contribute to the delivery of the Council's vision to 'Protect, Care and Invest to create a better borough'. It summarises some of our recent successes (our highlights), what we want to achieve in the future (our strategic aims) and how we will show we are having an impact (our key performance indicators, KPIs). The detail of how each team will deliver the aims and KPIs that apply to them will be set out in individual Business Plans.



**Angie Astley**
Executive Director: Housing, Communities and Customer Services



**James Dunn**
Director: Prosperity and Investment

### About us:

Our service approach is underpinned by three elements – **business** – a 'business friendly' operating environment and commercial approach to service delivery; **people** – our workforce and how this aligns to business needs and place – the sense of **place** and infrastructure that underpins growth.

### Meet the team:



**Val Hulme,** Development Management
- Responsible for the management of development across the Borough, to secure safe sustainable developments; protecting areas of importance, and securing new and improved infrastructure to support growth.
- Responsible for investigating and enforcing against unauthorised development and untidy land
- Designation and management of the Boroughs ecological and historic assets
- Ensuring developments are safe, through building regulations
- Ensuring works to existing highway infrastructure, and adoption of new assets as a result of development is of a high standard and fit for purpose
- Maintain the Boroughs Public Rights of Way Oversee and implement the Councils Strategic policies for outdoor play, and recreation



**Kate Callis,** Housing Investment Programme
- Expansion and diversification of the Council's Housing Investment Programme – delivering homes for private and affordable rent via Nuplace Ltd
- Supporting the delivery of specialist and supported housing solutions for vulnerable people to facilitate independent living



**Dawn Toy,** Regeneration and Investments
- Responsible for the Management of Council owned investment properties (PIP), securing income to support frontline services
- Responsible for the management of Land/ property acquisition and disposal programme
- Responsible for the delivery of the Homes England Land Deal
- Delivery of Growth Fund investments
- Maintenance of the Council's Asset Register
- Supporting the delivery of key regeneration projects funded through the Towns Investment and Levelling Up Funds



**Chris Goulson,** Building Innovation Telford (BiT)
- Providing an integrated design and project management consultancy for all Council properties including Commercial, Operational and Educational that specialises in full project delivery, from initial project conception through the entire property lifecycle
- Providing an in-house maintenance service for schools and council buildings, as well as managing the Council's security and PFI contracts
- Technical delivery of Disabled Facilities Grants



# OUR ACHIEVEMENTS

**Formal declaration of 5 new LNR's**
Randlay valley; rough park; lightmoor; the cockshut, Centrall Hall and the extension of two at Dothill and Granville totaling 184ha bringing total up to 595ha in Dec 2023. A further 5 identified (111ha of land identified and running through the process of formal declarations over the course of next plan period.

**Secured:**
**£450K Salex funding**
for thermal upgrade and air source heat pump to de carbonise Newport Swimming and Leisure Centre and
**£25K of SEPUBU monies**
for installation of LED lighting and electric vehicle charging points at Horsehay Golf and Leisure Centre

**Completed Nuplace's first low carbon homes**
at Southwater Way and commenced the refurbishment of the Grade II listed building at The Gower, St Georges

**Determination of 100% of major planning applications; 95% of minor and 98% of other applications**
during 2022/23 within the statutory timescales

**Secured planning approval**
for mixed use development of Station Quarter to create a **new education campus** and the introduction of **town centre living**, delivered site enabling works and commenced phase 1 skills hub

Completed the **refurbishment of a new Workplace hub at New Street Telford**
providing bookable drop down and **collaborative workspace** to the private sector

**Delivered £10m expansion**
of Holy Trinity Academy, Priorslee including **300 additional places** and **4G all weather sports pitch**

**Delivery of Phase 2 at NiPark and 24 new units at Orchard business park**
creating **new employment floorspace**, **new jobs** and **revenue income** to the Council via its Property Investment portfolio

**Telford Land Deal Generated £6.6m in land sales during 22/23**
that will deliver **19,883sqm of employment floor space** and **251 new homes**

The table below shows the original revenue budget for 2023/24 for the Prosperity and Investment directorate.

| **EXPENDITURE** £'000 | |
|---|---|
| Capital financing | 2,680 |
| Employees | 6,676 |
| Premises | 10,186 |
| Supplies and services | 1,293 |
| Support services | 2,481 |
| Third party payments | 362 |
| Transfer payments | - |
| Transport | 147 |
| **Total EXPENDITURE** | **23,825** |

| **INCOME** £'000 | |
|---|---|
| Interest receipts | - |
| Fees and charges | (99) |
| Government grants | - |
| Other grants, reimbursements and contributions | (25) |
| Recharges to other services | (10,320) |
| Rents | (9,468) |
| Sales | (9,719) |
| **Total INCOME** | **(29,631)** |
| **NET EXPENDITURE** | **(5,806)** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

## All neighbourhoods are a great place to live



### Our aim – good quality and sustainable housing is delivered for all

**Our key performance measures – we will assess the impact we're having by:**

Increasing the number of homes built and refurbished by Nuplace for private and affordable rent

Increasing the proportion of Nuplace homes meeting improved accessibility standards

Increasing the proportion of Nuplace homes contributing towards carbon reduction targets

Increasing the proportion of Nuplace homes allocated for people with a wide range of needs including; older people, physically disabled and veterans

Ensuring that the authority delivers good quality housing against the identified five year land supply

Disposing of public sector landholdings to accelerate housing growth

Working to increase the supply of housing that provides flexibility in the long term by being delivered, wherever possible, to:

- The Nationally Described Space Standard
- M4(2): Category 2 - Accessible and adaptable dwellings.
- M4(3): Category 3 - Wheelchair user dwellings.

Maximising opportunities to access external funding to invest in infrastructure to be a catalyst for housing delivery and regeneration

Delivering key regeneration projects to transform and support growth opportunities

Delivering a range of adaptions to support residents to remain living independently in their own homes

### Our aim – communities are safe, accessible, affordable and integrated

**Our key performance measures – we will assess the impact we're having by:**

Supporting communities to develop their own neighbourhood plans to own and deliver growth aligned with the adopted local plan

Creating new accessible open space and areas of recreation and enhancing those existing to meet a range of needs through the provision of new development

Investing in rights of way and park walks across the Borough to maintain safe connections between communities

Promoting the use of brownfield sites

Unlocking constrained sites with access to the brownfield site fund

## Our natural environment is protected, and the Council has a leading role in addressing the climate emergency



### Our aim – de carbonisation of the built estate

**Our key performance measures – we will assess the impact we're having by:**

Reducing energy use of buildings

Reducing carbon consumption

### Our aim – the borough's designated heritage assets and green infrastructure are protected and championed to ensure survival for future generations

**Our key performance measures – we will assess the impact we're having by:**

Reviewing and appropriately managing designated conservation areas and the world heritage site to retain its outstanding universal value

Reviewing non statutory historic assets and identifying buildings at risk

Increasing the designation of local nature reserves and additional green network sites to support the local plan

Unlocking funding opportunities from external stakeholders and investing in a range of green infrastructure and heritage assets across the borough

## Everyone benefits from a thriving economy



### Our aim – jobs are created and protected and businesses grow

**Our key performance measures – we will assess the impact we're having by:**

Growing and diversifying the PIP to meet business and investor requirements, whilst providing social return including provision of incubator hubs and enterprise space

Continuing to review and deliver opportunities for commercial investment utilising the growth fund to support diversification of the PIP and future proof against economic shocks

Meeting our economic needs as identified in the local plan

Delivering commercial sites through the Telford Land Deal; unlocking brownfield land and delivering new jobs and commercial floor space

Delivering regeneration of our high streets through Towns Investment and Levelling up Funding

## A community-focussed, innovative council providing efficient, effective and quality services



### Our aim – resources, assets and services are managed efficiently, safely and effectively

**Our key performance measures – we will have an impact by:**

Effective and efficient regulatory functions that meet national standards relating to planning and building control

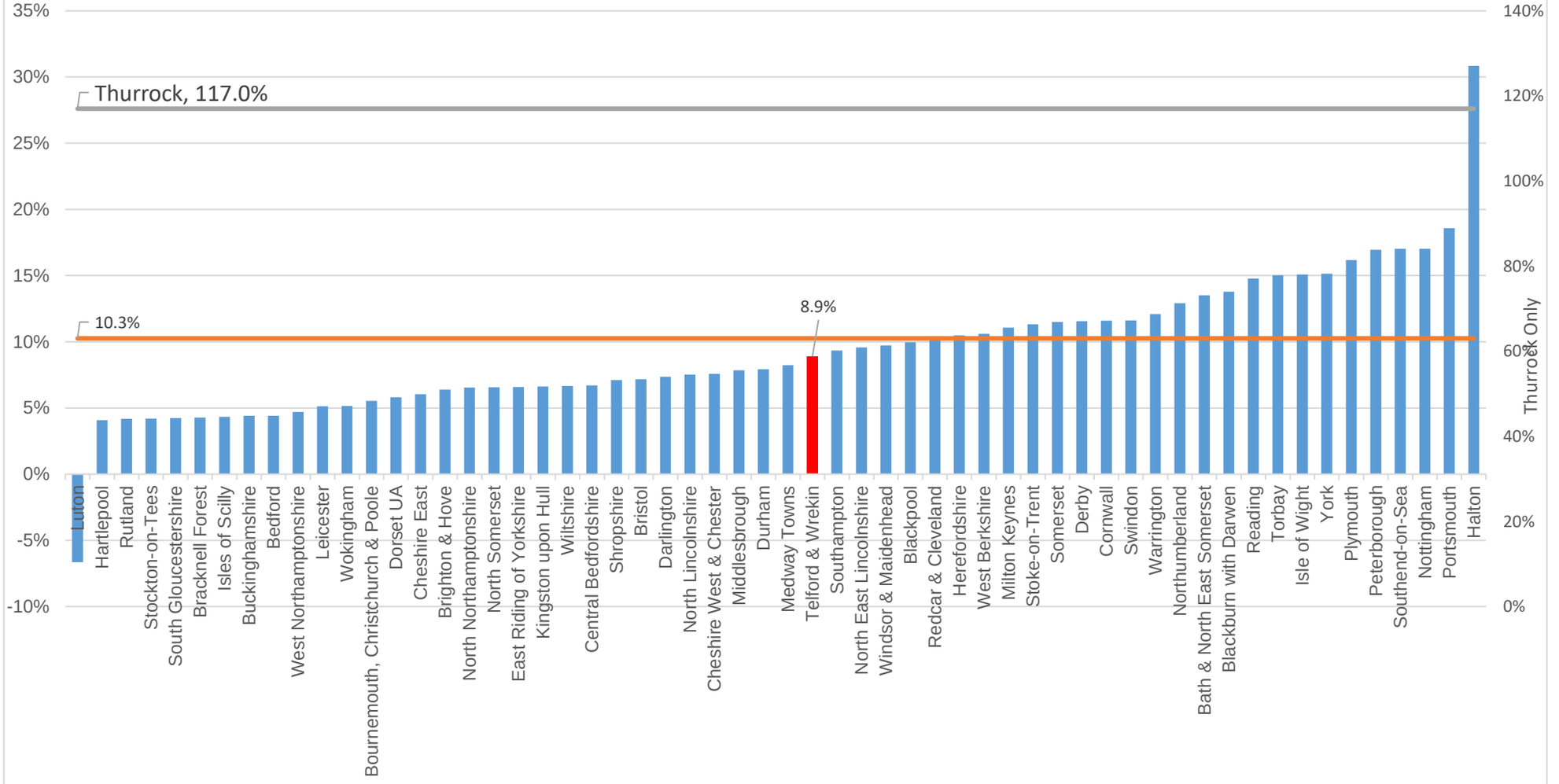
Ensuring a wide range of property and assets are managed efficiently, safely and with a view to reducing their carbon footprint

Delivering an effective commercial consultancy service (income)

Delivering and developing the potential of the Telford Land Deal by driving opportunities to extend strategic infrastructure

**Appendix 5**

# Financing Cost to Net Revenue Stream - 2023/24 Unitary Authorities




Thurrock has received additional support from government through a capitalisation directive following issuing of a Section 114 Notice

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**APPENDIX 6**

## Usable Balances at 1 April 2028

| | | | Balance at 01-Apr-28 £m |
|---|---|---|---|
| **Total Reserves and Balances** | | | 59.09 |
| **Less Commitments/Earmarked Funds:** | | | |
| School Funds | Balances held on behalf of schools; therefore not available to the Council | - | 10.05 |
| Grant funding | Grant funding received and fully committed in the budget strategy | - | 2.60 |
| Insurance Reserves | Required to cover policy excesses and other costs such as claims prior to 1998 (unitary) | - | 0.51 |
| Other Corporate Items | For Example ITS/Capacity Fund, severance fund | - | 5.33 |
| Single Status | Provision for equal pay settlement | - | 8.74 |
| Other Provisions | For example Bad Debt Provision | - | 2.10 |
| Specific Earmarked Service Balances | Residual balances held by services following a rigorous review of balances undertaken | - | 3.51 |
| **Residual General Working Balances** | | | **26.26** |
| **Made up of:** | | | |
| **One Off Funds** | **Identified to support the Medium Term Budget Strategy in Future Years** | | **21.70** |
| One Off Funds | General/Special Fund Balances | | 4.55 |
| | | | **26.26** |

**SCHEDULE OF PROVISIONS, RESERVES AND BALANCES - £**

| Service Area | Balance Sheet Structure | Description | Actual Closing Balance 31/3/2023 | Estimated Changes during 2023/24 | Estimated Closing Balance 31/3/2024 | Other Estimated Changes during 2024/25 | Estimated Closing Balance 31/3/2025 | Estimated Change during 2025/26 | Estimated Closing Balance 31/3/2026 | Estimated Change during 2026/27 | Estimated Closing Balance 31/3/2027 | Estimated Change during 2027/28 | Estimated Closing Balance 31/3/28 | Purpose |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Safeguarding & Family Support | Reserves | Child Sexual Exploitation | (6,480.00) | 3,240.00 | (3,240.00) | 3,240.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Used to fund support for costs associated with CSE |
| Safeguarding & Family Support | Reserves | Unaccompanied Asylum Seekers | (446,990.51) | 350,000.00 | (96,990.51) | 96,990.51 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To offset costs incurred supporting unaccompanied asylum seekers |
| Safeguarding & Family Support | Reserves | Social Work Training Reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Used to support social work training placements |
| Safeguarding & Family Support | Reserves | University Students | (51,329.15) | 20,000.00 | (31,329.15) | 20,000.00 | (11,329.15) | 11,329.15 | 0.00 | | 0.00 | | 0.00 | To fund the training of students on placements with the LA. |
| Safeguarding & Family Support | Reserves | Troubled Families Programme | (47,960.13) | 0.00 | (47,960.13) | 47,960.13 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Balance on Government's Troubled Families Programme - use to support staff costs within safeguarding |
| Safeguarding & Family Support | Reserves | Teaching Partnership | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | DfE funded partnership for training social workers |
| Safeguarding & Family Support | Reserves | Frontline | (211.27) | 211.27 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund trainee social workers |
| Safeguarding & Family Support | Reserves | Control a/s Social Work Improvement Fund | (44,693.31) | 44,693.31 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund various posts within the service |
| Safeguarding & Family Support | Reserves | Safeguarding Misc Grants Control Account | (12,340.00) | 12,340.00 | 0.00 | 3,000.00 | 3,000.00 | 3,340.00 | 6,340.00 | (6,340.00) | 0.00 | | 0.00 | To fund various posts within the service |
| Safeguarding & Family Support | Reserves | NAAS Grant Income | (44,342.08) | 20,000.00 | (24,342.08) | 20,000.00 | (4,342.08) | 4,342.08 | 0.00 | | 0.00 | | 0.00 | Funding to support implementation of the National Assessment & Accreditation system |
| Safeguarding & Family Support | Reserves | Future Social | (6,619.55) | 6,619.55 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | External funding to support staffing to undertake work related to the outcomes required |
| Safeguarding & Family Support | Reserves | New Burdens - Personal Advisors | (72,541.51) | 30,000.00 | (42,541.51) | 30,000.00 | (12,541.51) | 12,541.51 | 0.00 | | 0.00 | | 0.00 | Funding to provide personal advisors to support care leavers moving into adulthood |
| Safeguarding & Family Support | Reserves | Family Safeguarding Model | (556,167.38) | 250,000.00 | (306,167.38) | 250,000.00 | (56,167.38) | 56,167.38 | 0.00 | | 0.00 | | 0.00 | Funding to support implementation of the Family Safeguarding model. |
| Safeguarding & Family Support | Reserves | Local Safeguarding Board | (83,559.22) | 15,000.00 | (68,559.22) | 15,000.00 | (53,559.22) | 20,000.00 | (33,559.22) | 20,000.00 | (13,559.22) | 13,559.22 | 0.00 | T&W Share of Partnership reserve to support the work of the Local Safeguarding Board |
| Safeguarding & Family Support | Reserves | Social Work Grant | (7,456.32) | 7,456.32 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Grant funding to support specific posts within the service |
| Safeguarding & Family Support | Reserves | Family Hubs | (87,000.00) | 87,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully Committed |
| Safeguarding & Family Support | Reserves | Reducing Parental Conflict | (8,617.90) | 8,617.90 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully Committed |
| | | | **(1,476,308.33)** | **855,178.35** | **(621,129.98)** | **486,190.64** | **(134,939.34)** | **107,720.12** | **(27,219.22)** | **13,660.00** | **(13,559.22)** | **13,559.22** | **0.00** | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Education & Skills | Reserves | Early Years facilities | (68,621.99) | (21,499.92) | (90,121.91) | 90,121.91 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support Early Years facilities |
| Education & Skills | Reserves | Early Years | (49,151.72) | 0.00 | (49,151.72) | 49,151.72 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To sustain existing nursery provisions in key areas of need. |
| Education & Skills | Reserves | Stop Loss Provision | (500,022.33) | 250,000.00 | (250,022.33) | 50,000.00 | (200,022.33) | | (200,022.33) | | (200,022.33) | | (200,022.33) | Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs as appropriate |
| Education & Skills | Provision | Closed schools provision held against possible cost of implementation of single status | (133,669.99) | 0.00 | (133,669.99) | 133,669.99 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Residual balances from closed schools to cover potential future liabilities. |
| Education & Skills | Reserves | Education Welfare Balance | (44,533.75) | 0.00 | (44,533.75) | 33,000.00 | (11,533.75) | 11,533.75 | 0.00 | | 0.00 | | 0.00 | To fund training and resource costs associated with education welfare services |
| Education & Skills | Reserves | Schools reserves held against possible deficits arising on schools conversion to academy status | (62,164.88) | 46,709.70 | (15,455.18) | 0.00 | (15,455.18) | | (15,455.18) | | (15,455.18) | | (15,455.18) | Monies carried forward as a reserve against the possible unfavourable balance on schools conversions to academy status. |
| Education & Skills | Reserves | Youth Unemployment | (371,471.82) | 0.00 | (371,471.82) | 371,471.82 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Continuation of Tackling Youth unemployment services |
| Education & Skills | Reserves | SEN Review Reserve | (28,938.91) | 28,938.91 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Contribution to costs of project posts for education systems implementation |
| Education & Skills | Reserves | Arthog Trading Provision | (14,404.40) | 13,277.40 | (1,127.00) | 0.00 | (1,127.00) | 0.00 | (1,127.00) | 0.00 | (1,127.00) | 0.00 | (1,127.00) | To support Arthog costs |
| Education & Skills | Reserves | Early Years Grants | (56,496.37) | 20,000.00 | (36,496.37) | 20,000.00 | (16,496.37) | 16,496.37 | 0.00 | | 0.00 | | 0.00 | Support of services |
| Education & Skills | Reserves | Lifelong Learning Grant | (509,447.09) | (77,721.00) | (587,168.09) | 0.00 | (587,168.09) | 0.00 | (587,168.09) | 0.00 | (587,168.09) | 0.00 | (587,168.09) | Grant cfwd to support this activity - spans academic year. |
| Education & Skills | Reserves | Coronavirus (COVID-19) catch-up premium C/A | (55,156.49) | 55,156.49 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Funding for pupils with EHC plans educated in independent special schools |
| Education & Skills | Reserves | Moderation Grant | (18,574.80) | 9,574.80 | (9,000.00) | 9,000.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | DfE grant to support the LA's duty to moderate annual key stage exams for maintained schools. |
| Education & Skills | Reserves | Ukraine Education & Childcare Grant | (545,457.70) | 545,457.70 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Education & Skills | Reserves | Virtual School Heads Grant | (165,391.64) | 45,000.00 | (120,391.64) | 45,000.00 | (75,391.64) | 45,000.00 | (30,391.64) | 30,391.64 | 0.00 | | 0.00 | Balance of grant, allocated to support the role of the Virtual School Head. |
| | | | **(2,623,503.88)** | **914,894.08** | **(1,708,609.80)** | **801,415.44** | **(907,194.36)** | **73,030.12** | **(834,164.24)** | **30,391.64** | **(803,772.60)** | **0.00** | **(803,772.60)** | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Schools | School Bals | Revenue and Capital Balances held by schools for ongoing expenditure | (11,452,096.05) | 2,000,000.00 | (9,452,096.05) | 1,000,000.00 | (8,452,096.05) | 1,000,000.00 | (7,452,096.05) | 1,000,000.00 | (6,452,096.05) | | (6,452,096.05) | This represents school balances held by the LA only. It includes the balances on the balances on collaborative schemes administered by maintained schools. |
| Schools | Provision | Schools provision held against possible cost of implementation of single status | (3,454,052.10) | 15,000.00 | (3,439,052.10) | 15,000.00 | (3,424,052.10) | 15,000.00 | (3,409,052.10) | 15,000.00 | (3,394,052.10) | | (3,394,052.10) | Provision for Single Status costs in schools and DSG centrally funded staff. Use of this dependant on final implementation of SS. |
| | | | **(14,906,148.15)** | **2,015,000.00** | **(12,891,148.15)** | **1,015,000.00** | **(11,876,148.15)** | **1,015,000.00** | **(10,861,148.15)** | **1,015,000.00** | **(9,846,148.15)** | **0.00** | **(9,846,148.15)** | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Finance & HR | Reserves | New Technology | (17,899.92) | 5,000.00 | (12,899.92) | 5,000.00 | (7,899.92) | 5,000.00 | (2,899.92) | 2,899.92 | 0.00 | | 0.00 | Committed to Financial Management system development |
| Finance & HR | Reserves | Council Tax Liability Order refund Reserve | (87,577.26) | 87,577.26 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To cover potential future liabilities - reserve released 23/24 |
| Finance & HR | Reserves | Revenues Reserve | (447,061.79) | 83,815.00 | (363,246.79) | 83,815.00 | (279,431.79) | 83,815.00 | (195,616.79) | 83,815.00 | (111,801.79) | | (111,801.79) | To fund posts in staffing budget and one off additional system update costs |
| Finance & HR | Reserves | Resource Link Reserve | (232,417.47) | 70,000.00 | (162,417.47) | 70,000.00 | (92,417.47) | 41,306.73 | (51,110.74) | 20,000.00 | (31,110.74) | 20,000.00 | (11,110.74) | To fund implementation costs of Resourcelink HCM Cloud and system development costs in future years |
| Finance & HR | Reserves | Salary Sacrifice 4 Cars | (11,332.33) | 11,332.33 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | This shouldn't be on the reserves list |
| Finance & HR | Reserves | Finance Workforce Development Reserve | (38,891.33) | 15,000.00 | (23,891.33) | 5,000.00 | (18,891.33) | 5,000.00 | (13,891.33) | 5,000.00 | (8,891.33) | | (8,891.33) | Training and development costs of Finance staff |
| | | | **(835,180.10)** | **272,724.59** | **(562,455.51)** | **163,815.00** | **(398,640.51)** | **135,121.73** | **(263,518.78)** | **111,714.92** | **(151,803.86)** | **20,000.00** | **(131,803.86)** | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Prosperity & Investment | Reserves | PIP Reserve Contribution Account | (60,497.84) | 60,497.84 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Reserve to be used to aid with the ongoing rationalisation of the PIP |
| Prosperity & Investment | Reserves | Dilapidations - PIP | (360,082.24) | 131,243.71 | (228,838.53) | 228,838.53 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To meet costs of required dilapidations for specific properties to ensure they meet new EPC regulations. |

| Service Area | Balance Sheet Structure | Description | Actual Closing Balance 31/3/2023 | Estimated Changes during 2023/24 | Estimated Closing Balance 31/3/2024 | Other Estimated Changes during 2024/25 | Estimated Closing Balance 31/3/2025 | Estimated Change during 2025/26 | Estimated Closing Balance 31/3/2026 | Estimated Change during 2026/27 | Estimated Closing Balance 31/3/2027 | Estimated Change during 2027/28 | Estimated Closing Balance 31/3/28 | Purpose |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Prosperity & Investment | Reserves | Accommodation Reserves (ICT) | (57,000.00) | 57,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Prosperity & Investment | Reserves | Development Planning System | (75,500.00) | 50,000.00 | (25,500.00) | 25,000.00 | (500.00) | | (500.00) | | (500.00) | | (500.00) | Upgrade of current system and review as to sustainability and suitability |
| Prosperity & Investment | Reserves | Planning Appeal costs | (40,000.00) | 40,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Set aside for legal costs associated with planning appeals. |
| Prosperity & Investment | Reserves | Housing Investment Programme | (185,920.00) | 160,920.00 | (25,000.00) | 25,000.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Reserve for Housing investment costs council side specific grants associated with balance. |
| Prosperity & Investment | Reserves | HCA Liability Fund | (3,898,832.41) | 1,917,093.03 | (1,981,739.38) | 1,981,739.38 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Land Deal Funds; includes constrained sites funding; liability sites funding and profit share |
| Prosperity & Investment | Reserves | Custom Build Land Duty Grant | (22,328.20) | 22,328.20 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund the authorities duty to permission land under the Self-build and custom housebuilding act 2015. A total of £90k New Burdens fund has now been awarded towards the additional resource required to identify land to satisfy supply. |
| Prosperity & Investment | Reserves | PIP – Ageing PIP properties sinking fund | (294,770.76) | 80,000.00 | (214,770.76) | 214,770.76 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Roof works across a number of buildings |
| Prosperity & Investment | Reserves | S31- Biodiversity Net Gain Grant | (253.88) | 253.88 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Specific grant to implement process to monitor Net Biodiversity gain. |
| Prosperity & Investment | Reserves | Heat Networks - HNDU | (9,000.00) | 9,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully applied in 23/24 |
| Prosperity & Investment | Reserves | Great Crested Newts | (158,448.54) | 10,000.00 | (148,448.54) | 10,000.00 | (138,448.54) | 10,000.00 | (128,448.54) | 128,448.54 | 0.00 | | 0.00 | Funding to support the creation and ongoing maintenance of ponds associated with development and planning requirements. |
| Prosperity & Investment | Reserves | SEDN Ecological Data | (28,830.57) | 28,830.57 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund ecological data collection |
| | | | **(5,191,464.44)** | **2,567,167.23** | **(2,624,297.21)** | **2,485,348.67** | **(138,948.54)** | **10,000.00** | **(128,948.54)** | **128,448.54** | **(500.00)** | **0.00** | **(500.00)** | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Policy & Governance | Reserves | Insurance - Self Insurance Fund | (1,146,760.19) | 160,000.00 | (986,760.19) | 160,000.00 | (826,760.19) | 160,000.00 | (666,760.19) | 160,000.00 | (506,760.19) | | (506,760.19) | Self insurance fund to cover insurance excesses |
| Policy & Governance | Reserves | Elections Equalisation Reserve | (241,877.36) | 230,201.00 | (11,676.36) | 0.00 | (11,676.36) | 0.00 | (11,676.36) | | (11,676.36) | | (11,676.36) | Set aside to assist in funding future local elections |
| Policy & Governance | Reserves | CSE Funding Reserve | (250,000.00) | 165,000.00 | (85,000.00) | 85,000.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Funding to support CSE Inquiry. |
| Policy & Governance | Reserves | Single Status Project Team | (33,377.15) | 33,377.15 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Required to fund single status project work (including legal and consultancy costs) and preparation for implementation |
| Policy & Governance | Reserves | Legal Reserve | (30,745.00) | 30,745.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | For standards investigations and Legal Staffing |
| Policy & Governance | Reserves | Member Dvpt Reserve | (32,000.00) | 22,611.00 | (9,389.00) | 9,389.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To be spent on training and equipment as required |
| Policy & Governance | Reserves | Organisational Development Training Reserve | (233,981.62) | 200,200.00 | (33,781.62) | 33,781.62 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund the corporate training programme for the Council |
| Policy & Governance | Reserves | Delivery & Planning Reserve | (89,497.26) | 29,497.26 | (60,000.00) | 20,000.00 | (40,000.00) | | (40,000.00) | | (40,000.00) | | (40,000.00) | To be used to fund the Management & Leadership programme |
| Policy & Governance | Reserves | Boundary Review | (40,000.00) | 40,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support costs of the Boundary Review & other requests |
| Policy & Governance | Reserves | Ward Member Newsletter | (54,600.75) | 54,600.75 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund production of Ward letters in 23/24 |
| Policy & Governance | Reserves | Armed Forces Calm Cafes | (22,320.00) | 0.00 | (22,320.00) | 0.00 | (22,320.00) | | (22,320.00) | | (22,320.00) | | (22,320.00) | Support Armed Forces Cafes |
| | | | **(2,175,159.33)** | **966,232.16** | **(1,208,927.17)** | **308,170.62** | **(900,756.55)** | **160,000.00** | **(740,756.55)** | **160,000.00** | **(580,756.55)** | **0.00** | **(580,756.55)** | |
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| | | | | | | | | | | | | | | |
| Health & Wellbeing | Reserves | Sponsorship Fund (Rachel Threadgold) | (66,856.29) | 66,856.29 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | Balance remaining relates to pre HWB balances b'fwd from Leisure |
| Health & Wellbeing | reserves | Public Health Grant | (2,906,027.98) | 1,036,000.27 | (1,870,027.71) | 1,036,023.46 | (834,004.25) | 554,682.39 | (279,321.86) | 279,321.86 | 0.00 | | 0.00 | Ring Fenced Reserve from Public Health Grant to support activities as part of the Council's public health strategy. |
| Health & Wellbeing | Reserves | Domestic Abuse Reserve | (50,000.00) | 25,000.00 | (25,000.00) | 25,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | To support Domestic Abuse services |
| Health & Wellbeing | Reserves | Suicide Prevention Reserve | (68,239.77) | 24,122.89 | (44,116.88) | 44,116.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | NHS Funding to support Suicide Prevention Programme |
| Health & Wellbeing | Reserves | TWC Reserve - Covid Residual Investment Fund & Health Inequalities | (472,713.34) | 472,713.34 | (0.00) | 0.00 | (0.00) | 0.00 | (0.00) | 0.00 | (0.00) | | (0.00) | TWC reserve grant to support Council wide residual Covid response commitments. |
| | | | **(3,563,837.38)** | **1,624,692.79** | **(1,939,144.59)** | **1,105,140.34** | **(834,004.25)** | **554,682.39** | **(279,321.86)** | **279,321.86** | **(0.00)** | **0.00** | **(0.00)** | |
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| Adult Social Care | Reserves | Adult Social Care Initiatives | (115,544.12) | 50,279.36 | (65,264.76) | 44,600.00 | (20,664.76) | 20,664.76 | 0.00 | | 0.00 | | 0.00 | Monies committed to specific areas of partnership work i.e. Autism strategy |
| Adult Social Care | Reserves | Transforming Social Care | (27,398.93) | 27,398.93 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully Committed |
| Adult Social Care | Reserves | Transformation Posts Reserve | (300,009.12) | 266,424.12 | (33,585.00) | 33,585.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support staffing |
| Adult Social Care | Reserves | My Options | (28,832.07) | 28,832.07 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support service development |
| Adult Social Care | Reserves | Change Programme | (133,508.71) | 133,508.71 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support capacity to deliver CIP initiatives, support for training, Smart House |
| Adult Social Care | Reserves | Winter Pressures | (6,757.83) | 6,757.83 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To meet any additional costs as a result of pressure on ASC and the hospitals |
| Adult Social Care | Reserves | Care Legislation | (84,027.75) | 73,749.00 | (10,278.75) | 10,278.75 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Supports a number of posts within ASC. Remainder to progress further implementation of national changes in ASC i.e. Building Back Better |
| Adult Social Care | Reserves | Capacity Building Projects | (54,941.47) | 42,799.98 | (12,141.49) | 12,141.49 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Required to meet capacity issues, training support, policy updates |
| Adult Social Care | Reserves | BCF/TCP Section 75 Agreement Pooled Fund Reserve | (747,683.31) | 373,842.00 | (373,841.31) | 373,841.31 | (0.00) | | (0.00) | | (0.00) | | (0.00) | In place for mitigation of any financial risks associated with TCP. |
| Adult Social Care | Reserves | BCF Reserve | (567,803.14) | 567,803.14 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed to support services as part of the BCF Pooled Fund |
| Adult Social Care | Reserves | Safeguarding & Strategic Management | (20,897.59) | 20,897.59 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support legal fees and DOLS costs |
| Adult Social Care | Reserves | Carers Services | (29,500.24) | 29,500.24 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support Carers services |
| Adult Social Care | Reserves | Digital Transformation Project | (245,113.41) | 245,113.41 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Digital Transformation 3 year Project |
| Adult Social Care | Reserves | Procurement Advice reserve | (29,561.00) | 29,561.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | For Procurement Advice & systems |
| Adult Social Care | Reserves | Mental Health Initiatives | (87,253.00) | 87,253.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | ICB monies to support Mental Health services |
| Adult Social Care | Reserves | Joint Commissioning Balance | (61,374.75) | 30,000.00 | (31,374.75) | 31,374.75 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support the Joint Commissioning arrangement with the ICB |
| | | | **(2,540,206.44)** | **2,013,720.38** | **(526,486.06)** | **505,821.30** | **(20,664.76)** | **20,664.76** | **(0.00)** | **0.00** | **(0.00)** | **0.00** | **(0.00)** | |
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| Neighbourhood & Enforcement | Reserves | Environmental Mtce Programme | (375,444.04) | 375,444.04 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully committed to fund a programme of improvements. Original Pride programme. |
| Neighbourhood & Enforcement | Reserves | Safer Communities balance | (42,121.81) | 42,121.81 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed to fund CCTV in 2023/24 |
| Neighbourhood & Enforcement | Reserves | Coalbrookdale Water Course | (69,567.80) | (26,271.00) | (95,838.80) | 0.00 | (95,838.80) | | (95,838.80) | | (95,838.80) | | (95,838.80) | Coalbrookdale Water course (to cover future de silting costs) drawn down as and when required each year (commuted sum) and annual contribution received. |
| Neighbourhood & Enforcement | Reserves | Stoneyhill Landfill | (22,138.00) | 0.00 | (22,138.00) | 0.00 | (22,138.00) | | (22,138.00) | | (22,138.00) | | (22,138.00) | This is for a commuted sum for periodic cleaning & maintenance of the silo's (golf balls) |
| Neighbourhood & Enforcement | Reserves | Bus Subsidy Reserve | (420,938.66) | 420,938.66 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support subsidised bus routes in 2023/24 |
| Neighbourhood & Enforcement | Reserves | Waste Contract | (260,794.96) | 100,000.00 | (160,794.96) | 100,000.00 | (60,794.96) | | (60,794.96) | | (60,794.96) | | (60,794.96) | Enable the ongoing management of new Waste contract. Proposed one off saving of £100k in 24/25 as part of 24/25 savings exercise |

| Service Area | Balance Sheet Structure | Description | Actual Closing Balance 31/3/2023 | Estimated Changes during 2023/24 | Estimated Closing Balance 31/3/2024 | Other Estimated Changes during 2024/25 | Estimated Closing Balance 31/3/2025 | Estimated Change during 2025/26 | Estimated Closing Balance 31/3/2026 | Estimated Change during 2026/27 | Estimated Closing Balance 31/3/2027 | Estimated Change during 2027/28 | Estimated Closing Balance 31/3/28 | Purpose |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Neighbourhood & Enforcement | Reserves | Car parking Enforcement | (79,000.07) | 79,000.07 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Required to meet cost of enforcement team in 23/24 |
| Neighbourhood & Enforcement | Reserves | Reserves - Afghan Relocation Scheme | (2,218,087.23) | (164,691.00) | (2,382,778.23) | 1,468,991.14 | (913,787.09) | | (913,787.09) | 913,787.09 | 0.00 | | 0.00 | Grant funding in relation to Ukrainian Resettlement Programme. Balance fully committed as part of overall resettlement model |
| Neighbourhood & Enforcement - change to HE&I | Reserves | Provision for Local Nature Reserve | (24,000.00) | 0.00 | (24,000.00) | 0.00 | (24,000.00) | | (24,000.00) | | (24,000.00) | | (24,000.00) | Funding for Local Nature Reserve sites agreed at year end 21/22 |
| Neighbourhood & Enforcement | Reserves | Safer Communities | (311,818.78) | 311,818.78 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund Safer Communities programme being delivered in 23/24 |
| Neighbourhood & Enforcement | Reserves | Street Lighting Works | (220,927.89) | 220,927.89 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund street lighting repair & maintenance costs in Special Fund areas |
| Neighbourhood & Enforcement | Reserves | Pocket Parks (grant) | (40,437.92) | 0.00 | (40,437.92) | 0.00 | (40,437.92) | | (40,437.92) | | (40,437.92) | | (40,437.92) | Will be drawn down to Revenue for Dawley & Horsehay pocket parks |
| Neighbourhood & Enforcement | Reserves | Fleet Reserve | (2,729.42) | 2,729.42 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support software/New fleet system costs |
| Neighbourhood & Enforcement | Reserves | Community Action Teams Funding | (554,435.33) | 554,435.33 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Funding for Community Action Team programme for 3 years to 2023/24 |
| Neighbourhood & | Reserves | Environmental Services General Reserves | (608,705.75) | 372,605.00 | (236,100.75) | 172,615.00 | (63,485.75) | 29,907.00 | (33,578.75) | 30,979.00 | (2,599.75) | 1,390.00 | (1,209.75) | To fund environmental schemes |
| Neighbourhood & Enforcement | Reserves | Neighbourhood Services | (139,400.01) | 100,000.00 | (39,400.01) | 0.00 | (39,400.01) | | (39,400.01) | | (39,400.01) | | (39,400.01) | Committed to cover staffing in Night Time Economy |
| Neighbourhood & Enforcement | Reserves | Covid-19 Grants | (257.55) | 0.00 | (257.55) | 0.00 | (257.55) | | (257.55) | | (257.55) | | (257.55) | |
| Neighbourhood & Enforcement | Reserves | Transport Bus Subisdy (previously held as creditors) | (93,798.70) | 93,798.70 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support subsidised bus routes in 2023/24 |
| Neighbourhood & Enforcement | Reserves | DEFRA Funding | (47,750.00) | 47,750.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | DEFRA Air Quality Grant - fully committed in 23/24 |
| Neighbourhood & Enforcement | Reserves | Neighbourhood Frontrunners | (9,821.98) | 0.00 | (9,821.98) | 0.00 | (9,821.98) | | (9,821.98) | | (9,821.98) | | (9,821.98) | |
| Neighbourhood & Enforcement | Reserves | Fly Tipping Grant Reserve | (36,934.55) | 36,934.55 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Management of Fly Tipping |
| Neighbourhood & Enforcement | Reserves | Public Protection - Confiscated Proceeds from Crime | (17,637.52) | 17,637.52 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Income from proceeds from crime to be reinvested in public protections |
| Neighbourhood & Enforcement | Reserves | Stategic Transport Grants | (464,612.43) | 464,612.43 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Active Travel, LEVI & LTP Development |
| Neighbourhood & Enforcement | Reserves | Tree Replacement Programme | (29,656.44) | 29,656.44 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Neighbourhood & Enforcement | Reserves | Reserves - Ukraniain Refugee Scheme | (2,318,607.68) | (460,200.00) | (2,778,807.68) | 0.00 | (2,778,807.68) | 1,147,659.65 | (1,631,148.03) | 225,071.91 | (1,406,076.12) | 1,406,076.12 | (0.00) | Grant funding in relation to Ukrainian Resettlement Programme. Balance fully committed as part of overall resettlement model |
| Neighbourhood & Enforcement | Reserves | Syrian Resettlement Programme (SRP) | (295,643.86) | 150,000.00 | (145,643.86) | 145,643.86 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Grant funding in relation to Syrian Resettlement Programme. Balance fully committed as part of overall resettlement model |
| Neighbourhood & Enforcement | Reserves | Rights of Way (£100k p.a. for 3 years) | (100,000.00) | 100,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| | | | **(8,805,268.38)** | **2,869,248.64** | **(5,936,019.74)** | **1,887,250.00** | **(4,048,769.74)** | **1,177,566.65** | **(2,871,203.09)** | **1,169,838.00** | **(1,701,365.09)** | **1,407,466.12** | **(293,898.97)** | |
| Hsg, Employment, Infra | Reserves | Strategic Company Support | (30,822.23) | 20,000.00 | (10,822.23) | 10,822.23 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Invest Telford Targeted marketing campaigns/company support. |
| Hsg, Employment, Infra | Reserves | Economic Development Strategy | (20,584.82) | 15,070.00 | (5,514.82) | 5,514.82 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To be used for the Invest Telford |
| Hsg, Employment, Infra | Reserves | Local Plan Enquiry | (146,791.43) | 78,620.00 | (68,171.43) | 68,171.43 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support the Local Plan |
| Hsg, Employment, Infra | Reserves | Homelessness Prevention | (89,420.20) | 89,420.20 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Reserve to fund Homelessness prevention and Homelessness pressures |
| Hsg, Employment, Infra | Reserves | Interim Management Orders - DB | (1,817.92) | 1,817.92 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Hsg, Employment, Infra | Reserves | Development of Shovel Ready Schemes | (42,614.41) | 0.00 | (42,614.41) | 42,614.41 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund Place Programme staffing |
| Hsg, Employment, Infra | Reserves | Town's Deal | (134,449.12) | 83,854.00 | (50,595.12) | 37,158.00 | (13,437.12) | 13,437.12 | 0.00 | | 0.00 | | 0.00 | Town Deal Capacity grant to support the development of a Town Deal Board and Investment Plan - spend is subject to DHLUC monitoring. |
| Hsg, Employment, Infra | Reserves | Domestic Abuse - Housing | (28,823.33) | 28,823.33 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Funding staff post |
| Hsg, Employment, Infra | Reserves | Housing Strategy Consultancy Support | (87,103.00) | 38,485.00 | (48,618.00) | 12,860.00 | (35,758.00) | 1,860.00 | (33,898.00) | | (33,898.00) | | (33,898.00) | To fund Housing strategy work commissioned from consultants |
| Hsg, Employment, Infra | Reserves | Pride in Wellington Station | (1,095.83) | 1,095.83 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support small improvements at Wellington Station funded from grant |
| Hsg, Employment, Infra | Reserves | Marches Investment Fund – Strategic Tourism and Business Fund | (27,959.77) | 3,000.00 | (24,959.77) | 3,000.00 | (21,959.77) | 3,000.00 | (18,959.77) | 3,000.00 | (15,959.77) | 3,000.00 | (12,959.77) | LEP funding towards ongoing My Telford for ongoing licensing costs. |
| Hsg, Employment, Infra | Reserves | Rough Sleeping Initiative | (282,770.95) | 69,735.00 | (213,035.95) | 102,405.00 | (110,630.95) | 102,405.00 | (8,225.95) | 8,225.95 | 0.00 | | 0.00 | Supporting specific rough sleeping initiatives |
| Hsg, Employment, Infra | Reserves | Private Sector Housing Holding code | (122,067.04) | 71,244.00 | (50,823.04) | 50,823.04 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support staffing |
| Hsg, Employment, Infra | Reserves | Homelessness Support Grant | (433,455.73) | 79,727.00 | (353,728.73) | 182,468.00 | (171,260.73) | 171,260.73 | 0.00 | | 0.00 | | 0.00 | Funding of specific homelessness solutions |
| Hsg, Employment, Infra | Reserves | Pride in Your High Street | (958,358.87) | 950,000.00 | (8,358.87) | 0.00 | (8,358.87) | | (8,358.87) | | (8,358.87) | | (8,358.87) | Committed |
| Hsg, Employment, Infra | Reserves | Works in Defalut - Private Sector Housing | (168.68) | 168.68 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| | | | **(2,408,303.33)** | **1,531,060.96** | **(877,242.37)** | **515,836.93** | **(361,405.44)** | **291,962.85** | **(69,442.59)** | **11,225.95** | **(58,216.64)** | **3,000.00** | **(55,216.64)** | |
| Ctties, Customer & Commercial | Reserves | Voluntary Sector Support Fund | (260,596.14) | 81,422.00 | (179,174.14) | 82,293.54 | (96,880.61) | 32,293.54 | (64,587.07) | 32,293.54 | (32,293.54) | 32,293.54 | 0.00 | £100k given up as savings. The residual funding is for grants to the voluntary and community sector. |
| Ctties, Customer & Commercial | Reserves | Customer Services & Benefits | (156,919.19) | 72,633.33 | (84,285.86) | 33,000.00 | (51,285.86) | 35,285.86 | (16,000.00) | 8,000.00 | (8,000.00) | 8,000.00 | 0.00 | To support additional staffing costs as a result of Welfare Reform changes and to support delivery of savings. |
| Ctties, Customer & Commercial | Reserves | Telford Town Park Commuted Sums | (159,920.00) | 79,960.00 | (79,960.00) | 79,960.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Balance given up in savings |
| Ctties, Customer & Commercial | Reserves | Crisis Assistance Reserve | (32,287.81) | 1,165.32 | (31,122.49) | 31,122.49 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To support the revenue budget for Crisis Assistance. |
| Ctties, Customer & Commercial | Reserves | Community Engagement Reserve | (29,812.94) | 10,665.00 | (19,147.94) | 12,270.49 | (6,877.46) | 2,292.49 | (4,584.97) | 2,292.49 | (2,292.49) | 2,292.49 | 0.00 | To be used for training volunteers and staff, development of volunteer website and database. |
| Ctties, Customer & Commercial | Reserves | Leisure/Aspirations Invest to Save Funding | (135,775.75) | 107,887.75 | (27,888.00) | 27,888.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund the ongoing replacement of Leisure equipment. Also includes £60k to fund Leisure concessions in 2023/24 |
| Ctties, Customer & Commercial | Reserves | ICT Reserves & Provisions | (30,647.00) | (305,608.00) | (336,255.00) | 112,085.00 | (224,170.00) | 112,085.00 | (112,085.00) | 112,085.00 | 0.00 | | 0.00 | Support Pricing model and WAN contract saving |
| Ctties, Customer & Commercial | Reserves | Culture | (60,000.00) | 30,000.00 | (30,000.00) | 30,000.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Theatre Equipment - given up as in year savings. |
| Ctties, Customer & Commercial | Reserves | Culture - Destination | (35,000.00) | 17,500.00 | (17,500.00) | 17,500.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Funding for member priorities - visitors survey & other initiatives. This is to fund consultants appointed to deliver new Destination Management Plan. This contract has already been awarded. |
| Ctties, Customer & Commercial | Reserves | Cemeteries grounds mtce | (192,000.00) | 192,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund capital allocation |
| Corporate | Reserves | Communities & Engagement Team | (74,847.61) | 74,847.61 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund SDM post for 2 years; needs top be kept for future years due to limited funding. |
| | | | **(1,167,806.44)** | **362,473.01** | **(805,333.43)** | **426,119.51** | **(379,213.92)** | **181,956.88** | **(197,257.04)** | **154,671.02** | **(42,586.02)** | **42,586.02** | **0.00** | |
| Corporate | Special Fund Bals | Special Fund Balance | (729,710.68) | 167,000.00 | (562,710.68) | 0.00 | (562,710.68) | | (562,710.68) | | (562,710.68) | | (562,710.68) | Working balance |
| Corporate | General Fund Bals | General Fund Balance | (3,991,379.84) | 0.00 | (3,991,379.84) | 0.00 | (3,991,379.84) | | (3,991,379.84) | | (3,991,379.84) | | (3,991,379.84) | General Fund Working Balance |

| Service Area | Balance Sheet Structure | Description | Actual Closing Balance 31/3/2023 | Estimated Changes during 2023/24 | Estimated Closing Balance 31/3/2024 | Other Estimated Changes during 2024/25 | Estimated Closing Balance 31/3/2025 | Estimated Change during 2025/26 | Estimated Closing Balance 31/3/2026 | Estimated Change during 2026/27 | Estimated Closing Balance 31/3/2027 | Estimated Change during 2027/28 | Estimated Closing Balance 31/3/28 | Purpose |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Corporate | Reserves | Budget Strategy Reserve | (21,701,826.32) | 0.00 | (21,701,826.32) | 0.00 | (21,701,826.32) | | (21,701,826.32) | | (21,701,826.32) | | (21,701,826.32) | Available to support the Medium Term Budget Strategy |
| Corporate | Reserves | Budget Strategy Reserve - 2023/24 | (6,000,000.00) | 6,000,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Budgeted use in 23/24 Strategy/In year |
| OYS Programme | Reserves | Pride in our Play Areas | (199,694.56) | 81,424.56 | (118,270.00) | 35,910.00 | (82,360.00) | 82,360.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | 10 x 10 Initiative | (21,303.59) | 21,303.59 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Free Swimming Lessons | (292,000.00) | 146,000.00 | (146,000.00) | 73,000.00 | (73,000.00) | 73,000.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Dawley Swimming Pool | (1,050,000.00) | 350,000.00 | (700,000.00) | 350,000.00 | (350,000.00) | 350,000.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Oakengates Theatre | (96,000.00) | 96,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Revigoration Funding for Partnerships | (96,000.00) | 32,000.00 | (64,000.00) | 32,000.00 | (32,000.00) | 32,000.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Southwater Library opening hours | (64,500.00) | 7,500.00 | (57,000.00) | 19,000.00 | (38,000.00) | 19,000.00 | (19,000.00) | 19,000.00 | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Green Flag Status | (52,468.16) | 52,468.16 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Councillor Pride Funding | (1,386,653.86) | 290,653.86 | (1,096,000.00) | 432,000.00 | (664,000.00) | 432,000.00 | (232,000.00) | | (232,000.00) | | (232,000.00) | Committed |
| OYS Programme | Reserves | Improve PROWs | (90,000.00) | 90,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | COVID Commemorative Arboretum | (36,000.00) | 18,000.00 | (18,000.00) | 9,000.00 | (9,000.00) | 9,000.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Fuel Poverty | (150,000.00) | 46,125.00 | (103,875.00) | 50,311.00 | (53,564.00) | 53,564.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Domestic Abuse | (10,041.00) | 10,041.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Contact Centre Opening Hours | (11,500.00) | 11,500.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Youth Unemployment and Job Box Initiative | (500,000.00) | 150,000.00 | (350,000.00) | 0.00 | (350,000.00) | | (350,000.00) | | (350,000.00) | | (350,000.00) | Committed |
| OYS Programme | Reserves | Health Monitoring Resource and Purchase | (276,806.92) | 79,287.00 | (197,519.92) | 111,000.00 | (86,519.92) | 86,519.92 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Digital Inclusion Project | (241,932.12) | 241,932.12 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Mobile Enforcement Hub | (240,000.00) | 80,000.00 | (160,000.00) | 80,000.00 | (80,000.00) | 80,000.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Mobile CCTV Vehicle | (778,308.00) | 509,000.00 | (269,308.00) | 259,000.00 | (10,308.00) | 10,308.00 | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Improving Security - Women and Girls | (100,000.00) | 50,000.00 | (50,000.00) | 50,000.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| OYS Programme | Reserves | Additional Staff and Projects | (449,486.29) | 67,000.00 | (382,486.29) | 0.00 | (382,486.29) | | (382,486.29) | | (382,486.29) | | (382,486.29) | Committed |
| OYS Programme | Reserves | Contribution to Capital | (302,000.00) | 0.00 | (302,000.00) | 0.00 | (302,000.00) | | (302,000.00) | | (302,000.00) | | (302,000.00) | Committed |
| Corporate | Reserves | Green and Open Spaces | (801,502.23) | 0.00 | (801,502.23) | 0.00 | (801,502.23) | | (801,502.23) | | (801,502.23) | | (801,502.23) | Committed |
| Corporate | Reserves | Recovery & Regeneration Fund | (1,310,663.84) | 1,003,000.00 | (307,663.84) | 162,000.00 | (145,663.84) | 145,663.84 | 0.00 | | 0.00 | | 0.00 | Committed |
| Corporate | Reserves | Parks Funding, Pride in Your Park | (441,916.30) | 441,916.30 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| Corporate | Reserves | Cultural, tourism and public event initiatives and activities | (548,396.60) | 389,900.00 | (158,496.60) | 158,496.60 | 0.00 | | 0.00 | | 0.00 | | 0.00 | To fund events programme in 23/24 and 24/25 |
| Corporate | Coll Fund | Collection Fund Surplus - Council Tax - TWC element only | (1,966,120.62) | 1,127,224.00 | (838,896.62) | 838,896.62 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Estimated collection fund balance drawn down as part of budget strategy |
| Corporate | Reserves | Collection Fund equalisation Account | (700,000.00) | 700,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Corporate | Reserves | Income Equalisation Account | (3,527,930.00) | 1,500,000.00 | (2,027,930.00) | 0.00 | (2,027,930.00) | | (2,027,930.00) | | (2,027,930.00) | | (2,027,930.00) | Smoothing account for main income streams: NDR and bad debts provision |
| Corporate | Reserves | Capital Funding Reserve | (46,255.80) | 46,255.80 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Fully Committed to capital programme |
| Corporate | Reserves | Single Status Provision - General Fund element | (8,917,031.52) | 60,000.00 | (8,857,031.52) | 60,000.00 | (8,797,031.52) | 20,000.00 | (8,777,031.52) | 20,000.00 | (8,757,031.52) | 20,000.00 | (8,737,031.52) | Funding set aside to meet costs of implementing single status |
| Corporate | Reserves | Severance Fund | (1,582,142.39) | (1,180,000.00) | (2,762,142.39) | 0.00 | (2,762,142.39) | | (2,762,142.39) | | (2,762,142.39) | | (2,762,142.39) | Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings. The Council also has the ability to capitalise costs associated with service transformation through to March 2030. |
| Corporate | Reserves | Pride in Your Community - Funding Reserve | (346,640.00) | 346,640.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Reserve created to fund debt charges associated with the Pride In Your Community initiative. |
| Corporate | Reserves | Hadley PFI Sinking Fund | (1,493,939.86) | 174,000.00 | (1,319,939.86) | 358,000.00 | (961,939.86) | 415,000.00 | (546,939.86) | 343,501.65 | (203,438.21) | 203,438.21 | 0.00 | Equalisation account relating to Hadley PFI; based on funding model |
| Corporate | Debtors | Bad Debt Provision | (2,096,935.16) | 0.00 | (2,096,935.16) | 0.00 | (2,096,935.16) | | (2,096,935.16) | | (2,096,935.16) | | (2,096,935.16) | To cover bad debts; level based on formula |
| Corporate | Reserves | External Audit Fee Reserves | (48,000.00) | 48,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| Corporate | Reserves | Corporate Capacity / Invest to Save Fund | (3,641,297.13) | 1,635,054.73 | (2,006,242.40) | 1,500,000.00 | (506,242.40) | | (506,242.40) | | (506,242.40) | | (506,242.40) | Various initiatives to build capacity and provide funding to deliver future savings. Includes support to partner organisations who take on the delivery of services. |
| Corporate | Reserves | Telford 2020 (capital programme) | (17,000.00) | 17,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | £231k capital allocation to be supplemented by £17k |
| Corporate | Reserves | Campaigns and Marketing | (78,211.76) | 12,294.00 | (65,917.76) | 20,000.00 | (45,917.76) | 20,000.00 | (25,917.76) | 20,000.00 | (5,917.76) | | (5,917.76) | To support Creating a Better Borough and Community initiatives and Campaigns |
| Corporate | Reserves | Grant Agreements - Telford Interfaith Council and Telford Crisis Support £122k x 2 years | (131,351.10) | 131,351.10 | 0.00 | | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed |
| Corporate | Reserves | PIP Income | (124,500.00) | 124,500.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed to support a range of initiatives |
| Corporate | Reserves | Capital grant funding held as a reserve | (615,587.22) | 588,695.20 | (26,892.02) | 26,892.02 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed to funding the capital programme. |
| Corporate | Reserves | VAT and Taxation Reserve | (26,915.01) | 0.00 | (26,915.01) | 0.00 | (26,915.01) | | (26,915.01) | | (26,915.01) | | (26,915.01) | Provision for any unforeseen VAT/Taxation costs |
| Corporate | Reserves | Pride in Our Community | (810,188.88) | 0.00 | (810,188.88) | 0.00 | (810,188.88) | | (810,188.88) | | (810,188.88) | | (810,188.88) | Committed |
| Corporate | Reserves | Public Transport Initiative | (300,000.00) | 300,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Committed to support a range of initiatives |
| Corporate | Reserves | Community Initiatives | (466,018.71) | 287,493.22 | (178,525.49) | 0.00 | (178,525.49) | | (178,525.49) | | (178,525.49) | | (178,525.49) | Committed to support a range of initiatives |
| Corporate | Reserves | Covid-19 - various | (2,732,046.00) | 2,000,000.00 | (732,046.00) | 0.00 | (732,046.00) | | (732,046.00) | | (732,046.00) | | (732,046.00) | Committed |
| Corporate | Reserves | Single Status Reserve (to meet 24/25 costs). | (1,180,000.00) | 1,180,000.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | |
| Corporate | Reserves | Covid Hardship Fund - balance | (1,165,656.22) | 0.00 | (1,165,656.22) | 0.00 | (1,165,656.22) | | (1,165,656.22) | | (1,165,656.22) | | (1,165,656.22) | Committed to provide Council Tax Support initiative |
| Corporate | Reserves | Reserves - Councillors Pride Fund | (177,506.89) | 164,106.89 | (13,400.00) | 13,400.00 | 0.00 | | 0.00 | | 0.00 | | 0.00 | Balance of Pride Fund allocations - committed |
| | | | **(74,161,364.58)** | **19,694,666.53** | **(54,466,698.05)** | **4,638,906.24** | **(49,827,791.81)** | **1,828,415.76** | **(47,999,376.05)** | **402,501.65** | **(47,596,874.40)** | **223,438.21** | **(47,373,436.19)** | |
| TOTAL | | | **(119,854,550.78)** | **35,687,058.72** | **(84,167,492.06)** | **14,339,014.69** | **(69,828,477.37)** | **5,556,121.26** | **(64,272,356.11)** | **3,476,773.58** | **(60,795,582.53)** | **1,710,049.57** | **(59,085,532.96)** | |

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Infrastructure Funding Statement

## 2022/23

November 2023

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# 1 Introduction 1

# 1 Introduction

**1.1** The Infrastructure Funding Statement (IFS) is an annual report which provides a summary of all financial and non-financial developer contributions entered into by the Council for the provision of infrastructure that supports new development in the Borough, and the subsequent use of those contributions by Telford & Wrekin Council. The report covers the financial year 1 April 2022 – 31 March 2023.

**1.2** Telford & Wrekin Council seeks developer contributions (also known as planning obligations), through Section 106 (S106) agreements, unilateral undertakings and, where the landowner is the Council itself, Memos of Understanding (as it cannot enter into a legal agreement with itself). The Council does on occasion, negotiate developer contributions outside of the planning process, for example on the transfer of land to the Council. For the purposes of this report these sums have also been included

# 2 Section 106 Planning Obligations 2022/2023

# 2 Section 106 Planning Obligations 2022/2023

## Background

**2.1** Planning obligations are legal obligations as set out under Section 106 of the Town and Country Planning Act 1990, which enables a Local Planning Authority to enter into a negotiated agreement to mitigate the impact of a specific development, to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

**2.2** These tests are set out as statutory tests in regulation 122 of The Community Infrastructure Levy Regulations 2010 (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework (NPPF).

**2.3** For example new residential developments will place additional pressure on existing infrastructure in the surrounding area; the planning obligation will aim to balance this extra pressure with improvements to the surrounding area to ensure that a development makes a positive contribution to the local area. The obligations that may be provided by the Developers 'in kind' whereby the developer carries out this work, for example building a certain number of affordable homes on site. Alternatively the planning obligation can be met in the form of financial payments to the Council to provide off-site infrastructure works or contributions towards affordable housing elsewhere in the borough. In some cases it can be a combination of both on site provision and off site financial contributions. In some instances, Section 106 planning agreements may require payments to be made to third parties including parish councils.

## Approach to Infrastructure Delivery

**2.4** As a part of the Council's Local Plan, the Council has identified the need to plan for the long term further of the Borough. Consequently the Infrastructure Delivery Plan has been produced in collaboration with private and public service providers to deliver new housing and employment land allocations.

**2.5** The Infrastructure Delivery Plan has five main functions, setting out:

1. The strategic infrastructure requirements that will arise as a result of committed and planned development within the borough over the plan period including; projects, estimated costs, delivery phasing and likely funding sources;
2. A strategy for securing and delivering infrastructure to meet the growing needs of the borough;
3. A strategy for funding infrastructure as well as identifying gaps in funding;
4. A schedule of projects and programs setting out time scales and indicative costs for the delivery of infrastructure; and
5. An evidence base for the Local Plan and the Community Infrastructure Levy, if the Council decides to progress one.

# 2 Section 106 Planning Obligations 2022/2023

**2.6** The Infrastructure Delivery Plan addresses the issue of 'strategic off-site infrastructure' that will be required over the life of the Local Plan to address the wider, cumulative impacts of development. The plan recognises location and / or scale of residential and employment sites potentially has a significant impact on the ability of existing infrastructure to absorb additional development. To bring development sites forward it will be necessary to address these strategic 'deficiencies' to reduce barriers to development through the provision of new or enhanced infrastructure. The funding route for site specific infrastructure will continue to be, through Section 106 (planning obligations) and Section 278 agreements (allowing developers to carry out works to the public highway) negotiated directly with the developer.

**2.7** Strategic infrastructure funding requirements will be met by a range of sources including developer contributions, and external monies. Strategic infrastructure can be categorised under three key areas including:

1. Transport and Utilities Infrastructure - includes the provision of new or enhanced infrastructure such as the highway network, telecommunications systems, utility infrastructure, water supply and sewerage networks.
2. Social infrastructure - consists of the provision of new or enhanced infrastructure such as buildings to support services such as libraries, leisure centres, primary schools, secondary schools, health care facilities and emergency services.
3. Environmental Infrastructure - includes the provision of new or enhanced parks, public rights of way, open space, woodland, waterways, waste infrastructure and drainage infrastructure that helps to create a more pleasant natural environment for residents andvisitors.

**The S106 Process for off-site financial contributions**

**2.8** As any planning application is processed, the mitigation measures for the development are considered. If a financial contribution for any Section 106 agreement is required, these will be agreed between the Planning Case Officer and the Developer before being considered by the Planning Committee. The Committee will then determine the application, and any resolution to grant an application will be subject to specific terms for the S106 agreement, alongside any necessary conditions. The Section 106 agreement will then be prepared and signed between all interested parties, and only then can the planning decision be released. The obligations will only be required if the planning permission is implemented, and requested when the triggers for point of payment are reached, for example the commencement of development or prior to first occupation; these details are all set out in the S106 agreement. When planning permission is granted, the S106 agreement is registered as a land charge which stays with the land, obliging any future owners until the terms are met.

**2.9** Where a S106 agreement contains generic information on how the contributions received are spent, the Council determines the most appropriate scheme to be funded at the time when the contributions are received; this can be many years after an agreement is entered into. Once the contributions are received, the relevant budget holder will consider the most up to date information, for example, pupil yields, open space audits, or the latest highway data to identify infrastructure priorities alongside the S106 agreement and the regulations.

# 2 Section 106 Planning Obligations 2022/2023



**2.10** The S106 agreements are then monitored against any set trigger dates, and requested by the LPA. The spending of these sums are also monitored and agreed by the LPA. Any sums received by the Council, that are not spent within the timeframes set out in the S106 agreement, will be identified and where requested may be refunded as set out in accordancewith the specific S106 agreement. To date the Council's proactive approach to monitoring S106 obligations has ensured monies are not returned.

**2.11** The LPA charge to monitor the S106 agreements, to cover the cost of the monitoring and reporting on delivery of that S106 agreement as set out under The Community Infrastructure Levy (Amendment) (England)(No.2) Regulations 2019. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. However, monitoring fees are only requested on new S106 obligations, and detailed within the agreement.

# 3 S106 Contributions Summary 3

# 3 S106 Contributions Summary

**3.1** The section below provides the details of all S106 obligations that have been secured, collected, spent, retained and refunded over the financial year 2022/2023. Table 1a and 1b provide an overview of the financial and non-financial contributions.

**Table 1: Details of the 2022/2023 Total Monetary Contributions**

| | |
|---|---|
| **Monies secured** through new development agreed in 2022/23 | £2,184,863.78 |
| **Monies received** in 2022/23 | £11,358,915.50 |
| **Monies spent** in 2022/23 | £3,807,223.97 |
| Of which was capital | £3,314,008.19 |
| Of which was revenue | £458,296.48 |
| **Monies retained** at the end of 2022/23 (excluding "commuted sums" for longer term maintenance). | £20,373,174.28 |
| **Monies retained** at the end of 2022/23 as "commuted sums" for longer term maintenance. | £5,937,636.60 |
| **Monies returned** to developers at the end of 2022/23 | £6,716.34:<br>TWC/2014/0699 - Land adj to 1 Talbot Close. TRO not required following completion of scheme and monitoring |

**Table 2: Details of the 2022/2023 Non-Monetary Contributions**

| | | |
|---|---|---|
| **No. new affordable housing units secured in** 2022/23 | 691* | |
| **No. affordable housing units which were provided and occupied** in 2022/23 | Social Rent | Unknown at the time of publication:<br>Awaiting external information |
| | Affordable Rent | |
| | Shared Ownership | |
| | **Total** | |
| **No. of school places for pupils to be provided** through planning obligations agreed in 2022/23 | Primary School Places | 18 |
| | Secondary School Places | 7 |
| | **Total** | **25** |
| **No. of school places for pupils which were provided** through planning obligations (whenever agreed) in 2022/23 | Total | 55 |



**3.2** *This formed part of the overall delivery of Affordable Units delivered in year.

# 4 Section 106 Infrastructure Expenditure in 2022/23

## 4 Section 106 Infrastructure Expenditure in 2022/23

**4.1** The section below provides detailed breakdown of the infrastructure that has been provided through the financial contributions received through planning obligations that has been spent in 2022/23, and the amount of money, received through planning obligations, spent on each item. These are shown overleaf.

**Table 3: Details of 2022/23 Expenditure Categorised by Project Type**

| | Development Site | S106 Contributions Spent | | Project Delivered |
|---|---|---|---|---|
| | | Individual | Total | |
| **Affordable Housing Projects** | W2004/0972 Lawley Affordable Housing | £188,538.67 | £204,900.99 | Affordable housing project Octavia Court: Provision for supported accommodation for those recovering from homeless rough sleeping |
| | TWC/2013/0592 Former Ever Ready Site | £16,362.32 | | |
| | TWC/2011/0821 Land at Wellington Rd Newport | £730,000.00 | | Affordable housing project Victoria Mews: Wrekin Housing Group supported to acquire 21 new build houses (freehold) |

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# 4 Section 106 Infrastructure Expenditure in 2022/23

| | Development Site | S106 Contributions Spent | Project Delivered |
|---|---|---|---|
| **Natural Environment Enhancements** | TWC/2010/0722<br>Redhill - Ecological Park | £1,103.95 | Great Crested Newt (GCN) Ponds project |
| | TWC/2016/0562<br>Former Beeches Hospital Ironbridge | £1,430.00 | Ecology information board at Lodge Field & the Beeches LNR |
| | TWC/2014/0289<br>Land at Park Lane Woodside | £5,894.00 | Habitat creation for Dingy Skippers |

**Figure 1: Newly fitted information board displaying Ecology information at Lodge Field Local Nature Reserve (LNR) and The Beeches LNR**



# 4 Section 106 Infrastructure Expenditure in 2022/23



| | Development Site | S106 Contributions Spent | Project Delivered |
|---|---|---|---|
| **Highway Projects** | TWC/2015/0777 Land at 17 Whitchurch Road Wellington | £3,112.83 | Traffic Regulation Order (TRO) in local area of Whitchurch Road |
| | TWC/2014/0656 Land adj to Stone House Shifnal Road Priorslee | £1,620.90 | TRO on Shifnal Road |
| | TWC/2014/0333 Land at corner of Stafford Rd/A41 Newport | £5,185.13 | TRO at Corner of Stafford Rd/A41 Newport |
| | TWC/2022/0070 Land South of A518/West of A41 Newport | £28,476.19 | Newport Innovation Park highway works delivery 2022-2023 |
| | TWC/2013/0995 Maddocks Sports & Social Club | £10,479.47 | Safe Routes to school scheme near development linked to Wombridge Primary School |
| | TWC/2012/0371 Land at Muxton C2 & C3 | £18,478.41 | Cycle way delivered adjacent to roundabout |

# 4 Section 106 Infrastructure Expenditure in 2022/23

| | Development Site | S106 Contributions Spent | | Project Delivered |
|---|---|---|---|---|
| | | Individual | Total | |
| **Play Area Projects** | TWC/2019/0252 Land east/south east Sheldar/Covings/ The Old Stables Tibberton | £9,000.21 | £23,774.13 | Contribution to new play area Tibberton |
| | TWC/2015/0230 Back lane/ Plantation Rd Tibberton | £14,773.92 | | |
| | W2004/0980 Lawley - Newdale NEAP | £109,992.00 | | Contribution towards Gresham Drive MUGA improvements |
| | TWC/2017/0941 Castle Farm Way Priorslee | £120,748.30 | | Contribution towards Teece Drive Skatepark |
| | W94/0564 New Trench, Donnington | £31,650.00 | | Contribution towards enhancements at Kingsley Drive play area |
| | TWC/2012/0320 & TWC/2013/0720 Land at Sommerfield Rd | £12,760.00 | | Contribution towards enhancements at Caldera Play area |
| | TWC/2019/0753 Land between Arleston Lane & Dawley Rd | £96,035.09 | | Play enhancements at John Broad Avenue play area |
| | TWC/2020/0518 NFU House (Land at Southwater Way) | £39,723.00 | | Malinslee Centre play area improvements |
| | TWC/2015/0949 Land adj to The Blue Pig | £25,830.00 | | Installation of Capewell road play area improvements |

# 4 Section 106 Infrastructure Expenditure in 2022/23



| | Development Site | S106 Contributions Spent | | Project Delivered |
|---|---|---|---|---|
| | | Individual | Total | |
| Outdoor Recreation Projects | W2007/1732 Capewell Works | £79,150.00 | £159,875.00 | Contribution to the design and construction of Wombridge skate park |
| | W2006/0161 Trench Lock 1 Bloor Homes | £80,725.00 | | |
| | TWC/2012/0961 Orchard House Tibberton | £6,209.14 | £32,556.01 | Contribution towards the fitting of new recreation area and picnic bench area at Tibberton |
| | TWC/2014/1080 Land at Mill Lane Tibberton | £6,337.93 | | |
| | TWC/2016/0365 Sutherland Farm, Back Lane Tibberton | £4,438.55 | | |
| | TWC/2016/0446 61 Plantation Rd Tibberton | £15,570.39 | | |
| | TWC/2022/0390 Former New College site Wellington | £60,341.54 | | Millfields road MUGA |
| | TWC/2019/0487 Land West of Lawford Close off Majestic Way | £12,000.00 | | Little Dawley Pool disabled angling 5 pegs |
| | TWC/2015/1111 & TWC/2017/1050 Land adj to Walton Ave/Ridgeway High Ercall | £26,415.00 | | Enhancement works to BMX Track at High Ercal Village Hall |
| | TWC/2011/0827 Land at Audley Avenue | £30,898.50 | | Drainage and preparation works for Shukers Playing Fields |

# 4 Section 106 Infrastructure Expenditure in 2022/23

| | | | |
|---|---|---|---|
| | TWC/2011/0827<br>Land at Audley Avenue | £94,920.00 | Fitting of a MUGA, outdoor gym and 2 lane running track Shukers playing Fields |
| | TWC/2017/0233 & TWC/2018/0659<br>Land at Plough Lane Newport | £25,950.00 | Contribution towards Newport Skate Park |
| | TWC/2015/0060<br>The Coddon Sports & Social Club application | £12,100.00 | Fitting of artificial grass at Donnington Wood Bowling Club |

**Figure 2: New play and recreation facilities with a picnic bench area fitted in Tibberton**



# 4 Section 106 Infrastructure Expenditure in 2022/23



| | Development Site | S106 Contributions Spent | | Project Delivered |
|---|---|---|---|---|
| | | Individual | Total | |
| **Public Rights of Way Projects** | TWC/2017/0233 & TWC/2018/0659<br>Land at Plough Lane Newport | £28907.24 | £76,563.00 | Contribution to enhancement of Newport Canal |
| | TWC/2011/0821<br>Land at Wellington Rd Newport | £47,655.76 | | |
| | W2005/1460<br>Land at Maddocks Court | £1,713.63 | | Improvement to Church Walk |

**Figure 3: Footpath enhancement alongside Newport Canal**



# 4 Section 106 Infrastructure Expenditure in 2022/23

| | Development Site | S106 Contributions Spent | | Project Delivered |
|---|---|---|---|---|
| | | Individual | Total | |
| Education Projects | TWC/2019/0487 Land West of Lawford Close off Majestic Way | £48,803.00 | £83,818.62 | Contribution towards the expansion of Telford Langley School |
| | TWC/2018/1019 Land South of Newcommon Way | £35,015.62 | | |
| | TWC/2018/1019 Land South of Newcommon Way | £81,703.12 | | Improvements to Haughton School; x4 classroom extensions |
| | TWC/2012/0650 & TWC/2014/0237 Land off Doseley Works Doseley | £108,879.10 | | Contribution towards x4 new class basses & replace Demountables at Ladygrove Primary School |
| | TWC/2014/0333 Land at corner of Stafford Rd/A41 Newport | £319,415.05 | | Contribution towards improvements at Newport Infant School |
| | TWC/2014/0484 & TWC/2016/0332 Land West of The Cedars Rodington | £27,820.58 | | Contribution towards Allscott Primary new school |
| | TWC/2010/0722 Redhill - Education | £53,162.41 | | Contribution towards St Georges Primary demountables |
| | TWC/2011/0821 Land at Wellington Rd Newport | £325,147.55 | | Contribution towards the expansion of Newport Junior School |
| | TWC/2019/0252 Sheldar/Covings/ The Old Stables, Tibberton | £78,750.42 | | Contribution towards the expansion of Burton Borough School |
| | TWC/2015/1111 & TWC/2017/1050 Land adj to Walton Ave/Ridgeway High Ercall | £114,887.22 | | High Ercall classroom remodeling |
| | TWC/2016/0446 61 Plantation Rd Tibberton | £3,831.76 | | Contribution towards Tibberton Primary demountables |

# 4 Section 106 Infrastructure Expenditure in 2022/23



**Figure 3: Newly constructed Allscott Meads Primary School by SJ Roberts Construction as a part of the TWC/2014/0113 Former British Sugar site, Allscott Opened September 2023**









# 4 Section 106 Infrastructure Expenditure in 2022/23

| | Development Site | S106 Contributions Spent | Project Delivered |
|---|---|---|---|
| **Community Projects** | TWC/2013/0606 Land at Hadley Park West | £61,402.50 | Enhancement of Grade II listed structures and public realm at ThomasTelford Hadley Locks |
| | TWC/2011/0575 Land South of St Michaels Church Waters Upton | £50,662.79 | Waters Upton Parish Council: Commuted sum following transfer of land for community parking facilities |

**Figure 4: Enhancement of Grade II listed structures and public realm at Thomas Telford Hadley Locks**



# 4 Section 106 Infrastructure Expenditure in 2022/23

**Table 4: Revenue Expenditure in 2022-2023**

| | Project/Type | Receipts Spent |
|---|---|---|
| **Revenue Spending** | Play Area Maintenance | £142,500.64 |
| | Bus Subsidy | £102,673.33 |
| | Landscape Maintenance | £67,474.78 |
| | Outdoor Recreation Maintenance | £61,629.15 |
| | Project Delivery | £55,308.88 |
| | Tree Maintenance | £13,890.00 |
| | Lightmoor Wildlife Park | £12,225.00 |
| | Drainage Inspection Maintenance | £2,570.00 |
| | Community Facilities Maintenance | £24.70 |
| | **Total** | **£458,296.48** |

**Other Expenditure**

**4.2** The total amount of money, received through planning obligations, spent in 2022/23 on repaying money borrowed, including any interest, and details of the items of infrastructure which that money was used to provide (wholly or in part) £0.00.

**4.3** Total amount of money, received through planning obligations spent in 2022/23 in respect of monitoring in relation to the delivery of planning obligations: £34,919.30

# 5 Section 106 Receipts Retained

## 5 Section 106 Receipts Retained

**5.1** The total amount of money, received through planning obligations prior to 2022/23, *which had not been allocated* (to an infrastructure project or item) by the end of 2022/23: £0.00

**5.2** The total amount of money received under any planning obligation in any year, *which had been allocated* (to an infrastructure project or type) for spending by the end of 2022/23 but which had not been spent: £0.00

**5.3** Summary details of the infrastructure projects or items to which receipts from planning obligations, whenever collected including 2022/23, have been allocated (but not spent) and the amount allocated to each item: **£20,373,174.28** see the tables below

# 5 Section 106 Receipts Retained

**Table 5: Contributions retained, categorised by contribution type**

| Landscape Contributions Retained | Planning Application No | Scheme | Bal Carried Forward | Project |
|---|---|---|---|---|
| | TWC/2015/0843 | B1/B3 Apley Castle (Peregrine Way) | £16,049.93 | Improvements to the Woodland |
| | TWC/2014/0272 | Ivydale High Street Coalport | £452.19 | Improvements to the Silkin Way - tree planting |
| | Totals | | **£16,502.12** | |

| Play Contributions Retained | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | W2004/0972 | Lawley Princess End NEAP | £39,158.45 | Contribution to Princess End NEAP |
| | TWC/2019/0753 | Land between Arleston Lane & Dawley Rd | £49,979.03 | Off-site play & recreation within the vicinity |
| | W2003/0201 | Development at Old Office Rd Dawley | £25,407.91 | Contribution to multi use games area |
| | TWC/2013/0855 | Land rear of Willow Tree Cottage Station Rd Newport | £3,098.80 | Recreational facilities at Wallshead Way Church Aston |
| | TWC/2016/0107 | Former Concrete Works, Lightmoor | £41,097.67 | Enhancement of existing play at Croppings/ Stocking Park & Holywell Meadow Play Area |
| | TWC/2018/1019 | Land South of Newcommon way | £45,908.82 | The Saplings Play Area |
| | TWC/2012/0530 | Land at Priorslee East (HCA) | £54,249.04 | NEAP in development Vicinity |
| | TWC/2020/0168 | Land adjacent to 23 Wellington Road Muxton | £21,458.06 | Play & recreation within 1000 meters from the development site |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | TWC/2013/0592 | Former Ever ready site | £6,181.46 | Recreation & Leisure contributions in the vicinity |
| | TWC/2011/0827 | Land at Audley Ave | £177,158.35 | Improvements to local play facilities |
| | W2004/0980 | Land at Lawley - Ironbridge Way LEAP | £56,540.27 | LEAP Capital contribution |
| | TWC/2021/0852 | Site of Castle Lodge Dawley | £9,272.87 | Recreation in lieu of agreement |
| | TWC/2021/0557 | Land at Woodhouse Farm | £10,597.46 | Contribution to off-site play & recreation |
| | TWC/2018/0658 | Land East of Charlton School | £31,620.45 | Upgrade local play area |
| | TWC/2016/0978 | Land to the rear of 32 Bratton Road | £9,281.17 | Off-site play at Squirrels Meadow Bratton |
| | TWC/2018/0596 | Site of Caravan & Camping Centre Stadium Way Hadley | £9,225.10 | Upgrade local play facilities |
| | TWC/2014/0888 | Land Adj to The Old Rectory Waters Upton | £4,409.81 | Contribution to play/recreation facilities within the area |
| | W2002/0175 | Salters Lane, Newport | £1,930.46 | Play facilities within the vicinity |
| | TWC/2014/0656 | Land adj to Stone House Shifnal Rd, Priorslee | £5020.84 | Play equipment/Recreational facilities & environmental/tree enhancements |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2014/0333 | Land at corner of Stafford Rd /A41 Newport<br><br>Shropshire | £60,886.15 | Contribution to off-site play & Recreation within the area |
| | TWC/2013/0606 | Land at Hadley Park Rd West Millar Homes | £2,060.37 | Contribution to off-site play facilities within the area |
| | **Totals** | | **£664,542.54** | |

| **Outdoor Recreation Contributions Retained** | **Planning Application No** | **Scheme** | **Bal Carried Forward** | **Project** |
|---|---|---|---|---|
| | TWC/2015/0060 | Coddon Sports & Social Club | £10,920.02 | Contribution to replacement bowling facilities within the borough |
| | TWC/2020/0886 | Site of Webb Cres & Windsor Rd Dawley | £10,597.57 | Recreation facilities at Portley Road Dawley |
| | TWC/2017/0714 | Snedshill Way | £12,281.43 | Outdoor recreation inthe vicinity |
| | TWC/2016/0446 | 61 Plantation Rd Tibberton | £334.88 | Recreation at TibbertonPlaying Fields |
| | TWC/2011/0827 | Land at Audley Ave | £119,411,46 | Sports pitch improvements at Shuckers Field |
| | TWC/2019/0228 | Land adj to The Shires Shifnal Rd | £5,125.76 | Recreation within the vicinity |
| | TWC/2015/1111 | Land adj to Walton Ave/Ridgeway High Ercall | £317.17 | Recreation facilities on land adjacent to the village hall |
| | TWC/2016/1152 | Parkland House Audley Ave | £32,032.09 | Play and recreation at Shukers Field |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | W2007/1521 | Land at DSDC,Station Rd Donnington | £8,834.26 | Facilities at Broadoak Field including pitch drainage |
| | W2004/0972 | Land at Lawley Farm | £45,979.96 | Newdale sports pitch contribution |
| | TWC/2010/0200 | Somerfield Rd (Phase 2) | £3,095.15 | Landscaping & upgrading existing recreation facilities |
| | W2004/0980 | Lawley Common Sports Pitches | £806,848.83 | Lawley Common sports pitches |
| | TWC/2012/0371 | Land at Muxton C2 & C3 | £33,211.93 | Marsh Brook Way recreation contribution |
| | TWC/2012/0609 & TWC/2014/1124 | Woodlands Primary Redevelopment | £60,397.90 | Off-site pitch improvements at William Reynolds School |
| | TWC/2013/1033 | Land off Haygate Rd | £147,657.76 | Off-site pitch contribution Orleton park &OD Murphey recreation ground |
| | TWC/2012/0787 | Former White Hart Pub | £7,015.00 | Recreation contribution |
| | TWC/2017/0233 & TWC/2018/0659 | Plough Lane Newport | £5,217.47 | Recreation at Norbroom Park |
| | TWC/2017/0454 | Land at The Vineyard North Rd Wellington | £7,086.85 | Recreation facilities at Bowring Park |
| | TWC/2020/0518 | NFU House (Land at Southwater Way) | £15,206.83 | Leisure and sports facilities at Telford Town Park |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2012/0961 | Land at Orchard House Tibberton | £6,984.82 | Recreation facilities within Tibberton Parish |
| | TWC/2018/0435 | Site of Bowring Hall, 300 Holyhead Road, Wellington | £9,782.38 | Existing play and recreation facilities at Bowring Park |
| | W2005/1547 & TWC/2011/0285 | George Hill, Upper Bar, Newport | £10,237.39 | Off-site Recreation facilities |
| | TWC/2019/1043 | Wellington & District Cottage Care | £9,170.97 | Upgrading Existing play & recreation facilities at Bowring Park |
| | TWC/2011/0334 | Land at Newport Business Park | £1,555.12 | New LEAP & improvements to Shukers Field |
| | TWC/2012/0886 | Land at 121-125 Hadley Park Road | £1,897.85 | Contribution to recreation facilities within the vicinity |
| | TWC/2010/0089 | Highfield House | £1,913.76 | Contribution to upgrade local community facilities |
| | TWC/2014/0360 | Land at Heath Hill/Balls Hill | £2,710.21 | Contribution to bowling facilities in Dawley |
| | TWC/2014/0010 | Land at Chilcott Drive Madeley | £9,254.39 | Contribution towards Hills Lane Drive play area |
| | TWC/2019/1031 | Site of Royston,68 Rosecroft, 9&70 Park Rd/Leonards Rd Malinslee | £20,791.93 | Expanding play area at Malinslee Centre (off Brunel Road) |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | TWC/2021/0105 | The Queens Arms | £6,613.33 | Recreation facilities in |
| | TWC/2018/1019 | Land South of Newcommon way | £13,782.15 | Sports & recreation within the locality |
| | TWC/2014/0746 | Site of Maxell Europe Ltd | £148,285.50 | Sport & leisure facilities at Apley Pool |
| | TWC/2021/0557 | Land at Woodhouse Farm | £10,597.46 | Sport & leisure facilities situated within the vicinity of the development |
| | TWC/2016/0107 | Former Concrete Works Lightmoor | £41,097.67 | Recreation facilities at Croppings/ Stocking Park & Holywell Meadow Play Area |
| | TWC/2022/0390 | Former New College Wellington | £4,716.31 | Sport & leisure facilities towards the MUGA at Millfields Park |
| | **Totals** | | **£1,630,963.56** | |

# 5 Section 106 Receipts Retained

| Highways Contributions Retained | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | W2004/0972 | Land at Lawley Farm | £61,695.24 | Toucan crossing at Glendale Lawley & traffic calming at Dawley Rd, Lawley |
| | W2004/0972 | Land at Lawley Highways/Transport | £53,924.14 | Traffic management works in Lawley |
| | TWC/2013/0096 | Land at East Ketley - KMC Cycle Routes | £75,790.16 | Land at East Ketley-KMC Cycle Routes |
| | TWC/2016/0535 | Springfields Industrial Estate Newport | £5,211.42 | Double yellow lines to development front & nearby junction |
| | TWC/2016/0804 | Land at Gatcombe Way Priorslee | £9,803.41 | Traffic calming between Gatcombe Way & Highgate Drive |
| | TWC/2015/0217 | Site A pool Hill Road Horsehay | £8,226.54 | Road safety improvements at Pool Hill /Doseley junction |
| | TWC/2014/0230 | Back Lane/Plantation Rd Tibberton | £14,210.44 | Speed & traffic management on B5062 |
| | TWC/2013/1033 | Land off Haygate Rd | £479,448.70 | Traffic calming in the vicinity |
| | TWC/2016/0952 | Roden Care Home | £15,850.62 | Footpath patching & tactile crossing to the front of the development land |
| | TWC/2015/0580 | Land at 44 Cherrington Tibberton | £1,105.28 | Traffic & speed management on B5062 into Tibberton |
| | TWC/2017/0714 | Snedshill Way | £33,883.25 | Highway works in the vicinity |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | TWC/2016/0365 | Farmstead at Sutherland FarmTibberton | £5,909.45 | Passing place on Back Lane & legal fee |
| | TWC/2016/0446 | 61 Plantation Rd Tibberton | £6,876.64 | Traffic & speed management on B5062 |
| | TWC/2016/0562 | Former Beeches Hospital site Ironbridge | £8,378.09 | Improvements to highway signing |
| | TWC/2019/0228 | Land adj to The Shires Shifnal Rd | £5,125.75 | Provision of yellow line in the vicinity |
| | TWC/2018/0775 | Land adj to B8 MOD Hortonwood | £67,584.20 | Strategic highway improvements |
| | TWC/2016/1182 | Land North of Roden Lane Farm Roden | £30,704.35 | Traffic calming on Roden Lane |
| | TWC/2015/1079 | Sambrook Hall Farm | £3,322.64 | Contribution to alteration of priority at junction of west of main access to the development |
| | TWC/2019/0753 | Land between Arleston Lane & Dawley Rd | £7,248.65 | Dawley Rd 40mph Signs & lines |
| | TWC/2018/0757 | Land at rear of Hadley Park House Hotel | £144,409.70 | Highway improvements on the network - servicing Hadley Park & Hortonwood West |
| | TWC/2014/0113 | Former British Sugar site Allscott | £127,080.84 | Roundabout & level crossing contribution |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2018/0658 | Land East of Charlton School | £79,898.85 | Various highway schemes |
| | TWC/2019/0252 | Land east/south east Sheldar / Covings / The Old Stables Tibberton | £30,118.00 | Traffic & speed management within the vicinity of Back Lane Tibberton |
| | TWC/2020/0518 | NFU House (Land at Southwater Way) | £40,000.66 | Highway improvements in the vicinity |
| | TWC/2018/0361 | Land at 66 Tibberton | £3,169.28 | Traffic management on B5062 |
| | TWC/2015/0157 | Land at Former Dairy Crest site Crudgington | £52,585.23 | Highway improvements to existing junctions on A442 between & including Crudgington crossroads & Shawbirch round-a-bout |
| | WC/2019/0840 | Land North East of Halesfield Roundabout | £32,738.59 | Telford & Wrekin Growth Point Strategy |
| | TWC/2018/0780 | Corner of Holyhead Rd/Telford Way, Snedshill | £62,188.95 | Strategic improvements to the local highway network |
| | TWC/2015/0728 | Land at corner of Redhill Way/A5 | £288,253.87 | 1st installment highway works to Limekiln way & Junction 5 M54 |
| | TWC/2014/0746 | Site of Maxell Europe Ltd | £236,025.81 | Contribution towards Shawbirch roundabout |
| | TWC/2020/0168 | Land adj to 23 Wellington Road Muxton | £37,604.24 | Contribution towards the strategic highway network |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | TWC/2014/0980 | Land at Priorslee (Land between Castle Farm Way & A5) | £547,202.65 | First installment highway works to junction 4 M54 |
| | TWC/2017/0321 | Halesfield 18 & 20 | £69,932.22 | Highways works at the Brockton Interchange |
| | TWC/2019/0724 | J1 & J2 off Gatcombe Way (Priorslee East) | £81,134.88 | Strategic Highways Network improvements |
| | TWC/2021/0046 | Land North/East of Lodge Rd caravan site (Donnington Wood Way) | £112,041.05 | Strategic Highways Network improvements |
| | TWC/2021/0010 | Land opposite Wrap Film Systems ltd Hortonwood 40 | £74,748.79 | Strategic Highway Network Improvements |
| | TWC/ 2021/0670 | Former Doseley Works (Phase 3C2) | £12,572.81 | Improvements on St Luke's Rd/Frame Lane |
| | TWC/2022/0040 | Land rear of Wrap Film System Ltd | £35,004.01 | Strategic Highway Network Improvements |
| | TWC/2019/0216 | Land rear of Merlin House Halesfield 19 | £12,638.30 | Towards improvements to Naird /Randley interchange and/or Brockton loop |
| | TWC/2021/0937 | Land Adj to Golden Bear Products | £74,355.65 | Strategic Highway Network Improvements |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | W2005/1547 & TWC/2011/0285 | Land at Upper Bar Newport George Hill | £12,901.55 | Traffic calming in the vicinity |
| | W84/0657 | Donnerville Gardens | £15,181.90 | Private drive maintenance |
| | TWC/2010/0492 | Madeley Academy Sixth Form extension | £12,984.65 | Highways improvements to footway crossing the Ironbridge bypass at the Castlefields roundabout |
| | TWC/2013/0083 | Land at Hadley Park West (Oakhampton Road) | £77,699.35 | Contribution to Leegomery roundabout improvements |
| | TWC/2010/0111 & TWC/2014/0258 | Land at Former Ibstock Brickworks | £23,757.34 | Highway improvements at Brick Kiln Bank & Broadmeadow Lane |
| | TWC/2015/0950 | Honey House Tibberton | £1,035.08 | Contribution towards formalised passing bay in Back Lane Tibberton |
| | TWC/2017/0582 | Land at Telford Town Centre (Bus Station) | £110,908.22 | Major highway works in the vicinity |
| | **Total** | | **£3,302471.44** | |

| **Transport Contributions Retained** | **Planning Application No** | **Scheme** | **Bal Carried Forward** | **Project** |
|---|---|---|---|---|
| | TWC/2011/0821 | Land at Wellington Rd Newport | £23,013.34 | Public transport infrastructure |
| | W2004/0972 | Land at Lawley Farm | £5,606.29 | Bus shelter at Dawley Rd Lawley |
| | W2004/0981 | Land at East Ketley KMC (Bus shelters) | £21,129.43 | Improvements of bus shelters on Holyhead Rd |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | W2006/0706 | Land off St Heliers Drive, Dawley Bank | £5,967.85 | Bus shelters on Milners Lane / St Heliers Drive |
| | TWC/2013/0297 | Land of Edgmond Rd Newport | £10,603.16 | Improvements to two bus stops on Chetwynd Road & Chetwynd End |
| | TWC/2013/0887 | Land at Audley Ave (ALDI) | £12,504.63 | Bus shelter & bus stop at Audley Ave |
| | TWC/2013/1033 | Haygate Road Wellington | £10,965.45 | Improvements to bus stop infrastructure located on Haygate road |
| | TWC/2017/0941 | Land West of Castle Farm Way Priorslee | £10,692.09 | Bus stop improvements in vicinity of development |
| | TWC/2011/0827 | Audley Ave (Housing) | £12,373.94 | Newport Town Centre Bus Station Contribution |
| | TWC/2019/0753 | Land between Arleston Lane & Dawley Rd | £10,354.87 | Bus stop Improvements on Kingsland |
| | W2006/0161 | Trench Lock 1 Bloor Homes | £27,959.19 | Transport infrastructure including shelters, refuges |
| | TWC/2014/0333 | Land at corner of Stafford Rd /A41 Newport Shropshire | £16,384.42 | Bus shelter improvements & raised platforms in vicinity of development |
| | TWC/2013/0774 | New School at Priorslee | £10,389.01 | Improvement of bus stops in vicinity of development |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2016/1198 | Land South of Naird Lane | £10,387.99 | Bus stop improvements in Stafford Park & upgrade of footpaths & cycle ways |
| | TWC/2021/0930 | The Endeavour Centre North Road | £9,654.25 | New placement of off grid bus shelter |
| | TWC/2014/0746 | Maxell Site | £41,303.51 | Leegomery Roundabout Contribution |
| | TWC/2021/0010 | Land opposite Wrap Film Systems ltd Hortonwood 40 | £28,164.27 | Cycle Route Works; alterations to the existing verge and footway on the southern side of Hortonwood 60 between its junction with Hortonwood 40 and Hortonwood 50 to create a new footway/ cycleway |
| | **Total** | | **£267,453.69** | |

# 5 Section 106 Receipts Retained



| Affordable Housing Contributions Retained | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | TWC/2011/0821 | Land at Wellington Rd Newport | £1,348,502.08 | Contribution to affordable housing delivery in Newport |
| | TWC/2016/0560 | Land between Beech Hill & Blue House Farms | £375,902.80 | Contribution to affordable housing delivery in Newport or Edgmond |
| | TWC/2013/1033 | Land off Haygate Rd | £9,330.01 | Contribution to affordable housing delivery within Wellington |
| | **Totals** | | **£1,733,734.89** | |

| Community Facility contributions Retained | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | TWC/2015/0843 | B1/B3 Apley Castle (Peregrine Way) | £20,274.12 | Contribution towards Disabled angling at Apley pool |
| | **Totals** | | **£20,274.12** | |

# 5 Section 106 Receipts Retained

| Education Contributions Retained | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | TWC/2014/0746 | Site of Maxell Europe Ltd | £1,685,719.67 | Education facilities at Millbrook Primary School & Charlton School |
| | TWC/2011/0821 | Land at Wellington Rd Newport | £117,066.71 | New primary provision & expansion of secondary provision Burton Borough Music block |
| | TWC/2019/0753 | Land between Arleston Lane & Dawley Rd | £466.09 | Primary education facilities |
| | TWC/2014/0980 | Land at Priorslee (Land between Castle Farm Way & A5) | £ 2,630,309.08 | Provision of a New Free Primary School at Priorslee |
| | TWC/2012/0530 | Land at Priorslee East (HCA) | £373,463.45 | Primary education within 2 miles of the development |
| | TWC/2020/0518 | NFU House (Land at Southwater Way) | £147,323.97 | Primary & secondary education |
| | TWC/2015/0157 | Land at Former Dairy Crest site Crudgington | £641,021.72 | Primary and Secondary school contributions and secondary school transport |
| | TWC/2016/0107 | Former Concrete Works Lightmoor | £ 159,595.89 | Education facilities at Captain Webb Primary School |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | W2006/0291 & TWC/2011/0541 & TWC/2015/0843 | B1/B3 Apley Castle (Perigrine Way) | £138,749.14 | Contribution towards Milbrook Primary extension |
| | TWC/2013/1033 | Land off Haygate Rd | £1,115,848.97 | Primary & Secondary Contributions |
| | TWC/2017/0941 | Land West of Castle Farm Way Priorslee | £920,110.76 | Contribution towards Primary Education and Holy Trinity Academy |
| | TWC/2016/0446 | 61 Plantation Rd Tibberton | £106,532.88 | Contribution towards Tibberton Primary School |
| | TWC/2016/0562 | Former Beeches Hospital site Ironbridge | £193,691.46 | Remodelling Madeley Primary school |
| | TWC/2011/0827 | Audley Ave (Housing) | £654,457.67 | Improvements to Education facilities Newport Infants and Burton Borough school |
| | TWC/ 2021/0795 | Land West of Station Road, Newport | £ 595,782.28 | Improvements to local primary & secondary schools within 3 mile radius of the site |
| | TWC/2017/0233 & TWC/2018/0659 | Plough Lane Newport | £110,733.31 | Remodelling Church Aston School |
| | TWC/2019/0252 | Sheldar /Covings /The OldStables, Tibberton | £6,601.12 | Improvement of Primary & secondary schools within the vicinity |
| | TWC/2016/0978 | Land to rear of32 Bratton Rd | £56,811.8 | Primary Education at Wrekin View Primary |
| | TWC/2019/1031 | Site of Royston,68 Rosecroft, 9&70 Park Rd/Leonards RdMalinslee | £137,079.98 | Lawley Village Academy expansion |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2019/0487 | Land west of Lawford Close, off Majestic Way | £121,306.50 | Primary & Secondary education within 3 mile radius of development |
| | TWC/2014/1080 | Land at Mill Lane Tibberton | £120,543.94 | Extension at Tibberton Primary |
| | TWC/2021/0557 | Land at Woodhouse Farm | £112,450.37 | Primary & Secondary Education within 3 miles of the development vicinity |
| | TWC/2019/0724 | J1 & J2 off Gatcombe Way (Priorslee East) | £399,035.85 | Primary & Secondary Education within 3 miles of the development |
| | TWC/2021/0046 | Land North/East of Lodge Rd caravan site (Donnington Wood Way) | £878,986.45 | Primary & Secondary Education within the development vicinity |
| | TWC/2021/0670 | Former Doseley Works (Phase 3C2) | £ 177,580.34 | Improvements to local primary & secondary schools within South West Telford |
| | TWC/2022/0390 | Former New College Site Wellington | £137,996.04 | Primary & Secondary Education in Wellington |
| | **Totals** | | **£11,739,265.44** | |

# 5 Section 106 Receipts Retained



| Natural Environment Enhancements | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| | TWC/2010/0085 | Leaton Quarry | £173.65 | Biodiversity Study |
| | TWC/2018/0252 | Pool Hill Plot E Dawley | £14,154.56 | Ecology Commuted sum |
| | W2004/0972 | Lawley Sustainable Development | £1,443.05 | Costs incurred in assessing any sustainability plan submitted |
| | TWC/2016/0562 | Former Beeches Hospital Ironbridge | £11,245.30 | Enhancements to Local Wildlife site at The Beeches |
| | TWC/2019/0487 | Land West of Lawford Close, off Majestic Way | £54,811.62 | Improvements & maintenance of Dawley pools & pit mounds |
| | TWC/2018/1019 | Land South of Newcommon way | £25,242.17 | Enhancements to adopted LNR at Rough Park |
| | TWC/2021/0127 | Halesfield 18 & 20 | £35,916.50 | Biodiversity enhancements |
| | TWC/2021/0046 | Land North/East of Lodge Rd caravan site (Donnington Wood Way) | £15,336.86 | Biodiversity enhancements |
| | TWC/2014/0289 | Land off Park Lane Woodside | £584.09 | Wildlife Habitat creation |
| | TWC/2021/0010 | Land on the East side of Hortonwood 40 | £22,579.50 | Tree and Ecology mitigation |
| | TWC/2016/0107 | Former Concrete Works Lightmoor | £13,172.39 | Reptile habitat work at Lightmoor Wildlife Park |
| | TWC/2021/0968 | Plot 6 Hortonwood | £741.42 | Newt licensing |

# 5 Section 106 Receipts Retained

| | | | | |
|---|---|---|---|---|
| | TWC/2022/0040 | Land rear of Wrap Film System Ltd | £162,984.14 | Biodiversity enhancements |
| | TWC/2021/0937 | Land adj to Golden Bear Products | £86,513.85 | Biodiversity enhancements |
| | TWC/2022/0881 | Former Dunn Cow, Little Dawley | £4,852.62 | Biodiversity enhancements |
| | **Totals** | | **£449,751.72** | |

# 5 Section 106 Receipts Retained



| | Planning Application No | Scheme | Bal Carried forward | Project |
|---|---|---|---|---|
| **Public Rights of Way** | TWC/2011/0821 | Land at Wellington Rd Newport | £641.45 | Contribution to enhancement of Newport Canal |
| | TWC/2014/0230 | Back Lane/Plantation Rd Tibberton | £5,683.78 | Rights of way improvement sum for Tibberton |
| | TWC/2016/0918 | The Red Lion Holly Rd Little Dawley | £6,710.45 | Improvements to pedestrian link between Hafren Rd & Holly Rd Little Dawley |
| | TWC/2013/1033 | Land off Haygate Rd | £8,919.66 | Rights of way improvement sum in Wellington |
| | TWC/2018/0524 | Croppings Farm Stoney Hill | £9,670.97 | Improvements to Rights of way connecting Stoney Hill to Lightmoor Way |
| | TWC/2017/0233 & TWC/2018/0659 | Plough Lane Newport | £24,588.92 | Footpath provisions at canal bridge and top of Newport Canal |
| | TWC/2014/0113 | Former British Sugar site Allscott | £28,903.48 | Rights of way improvement sum in development vicinity |
| | TWC/2018/0361 | Land at 66 Tibberton | £1,267.71 | Rights of way improvement sum in Tibberton |
| | TWC/2018/1019 | Land South of Newcommon way | £10,823.78 | Rights of way improvement sum in development vicinity |
| | TWC/2014/0746 | Site of Maxell Europe Ltd | £57,033.45 | Works to improve footpaths around Apley Pool |

5 Section 106 Receipts Retained

5

| | | | | |
|---|---|---|---|---|
| | TWC/2021/0046 | Land North/East of Lodge Rd caravan site (Donnington Wood Way) | £100,574.58 | Footpath routes in Granville Park |
| | TWC/2016/0107 | Former Concrete Works Lightmoor | £39,517.05 | Rights of way improvement sum in development vicinity |
| | TWC/2012/0650 & TWC/2014/0237 | Land off Doseley Road Doseley | £101.65 | Contribution to reinstate of Public Rights of Way in Doseley |
| | TWC/2010/0111 & TWC/2014/0258 | Land at Former Ibstock Brickworks | £1,021.94 | Rights of way improvement sum in development vicinity |
| | **Totals** | | **£294,175.97** | |

| **Trees** | **Planning Application No** | **Scheme** | **Bal Carried forward** | **Project** |
|---|---|---|---|---|
| | TWC/2010/0722 | Redhill - Ecological Park | £258,464.59 | Maintenance according to landscape plan of Redhill Ecological Park |
| | W2004/0972 | Lawley trees | £22,411.65 | Maintenance of street trees in Lawley |
| | TWC/2012/0371 | Land at Muxton C2 & C3 | £7,192.92 | Footpath creation in the vicinity |
| | TWC/2015/0843 | B1/B3 Apley Castle (Peregrine Way) | £67,129.69 | Management of tree lined Avenue, Apley Woods |

# 5 Section 106 Receipts Retained



| | | | | |
|---|---|---|---|---|
| | TWC/2020/0518 | NFU House (Land at Southwater Way) | £7,402.30 | Management of woodland (Nuplace site) |
| | TWC/2021/0795 | Land West of Station Road, Newport | £27,329.98 | Tree replacement contribution |
| | TWC/2022/0040 | Land rear of Wrap Film System Ltd | £89,481.53 | Tree replacement contribution |
| | TWC/2021/0937 | Land adj to Golden Bear Products | £52,962.13 | Tree replacement contribution |
| | **Totals** | | **£521,492.98** | |

# TELFORD & WREKIN COUNCIL
## REVENUE BASE BUDGET - BEFORE ADDITIONAL SAVINGS

| Service | 2024/25 GROSS EXPENDITURE £ | 2024/25 GROSS INCOME £ | 2024/25 NET EXPENDITURE £ |
|---|---|---|---|
| Prosperity & Investment | 23,220,623 | 30,606,507 | (7,385,884) |
| Finance & Human Resources | 26,513,804 | 8,745,495 | 17,768,309 |
| Policy & Governance | 7,958,379 | 7,012,891 | 945,488 |
| Children's Safeguarding & Family Support | 57,124,986 | 6,847,814 | 50,277,172 |
| Education & Skills | 144,987,979 | 129,512,442 | 15,475,537 |
| Health & Wellbeing | 12,606,169 | 10,352,369 | 2,253,800 |
| Adult Social Care | 110,677,483 | 38,780,788 | 71,896,695 |
| Neighbourhood & Enforcement Services | 46,124,631 | 11,425,148 | 34,699,483 |
| Housing, Employment & Infrastructure | 8,512,047 | 6,272,972 | 2,239,075 |
| Communities, Customer & Commercial Services | 87,161,669 | 83,297,459 | 3,864,210 |
| Corporate Items (including contributions to/from balances) | 29,622,443 | 45,402,185 | (15,779,742) |
| Netting off of Internal Recharges included above | (57,210,480) | (57,210,480) | 0 |
| **Total Net Budget** | **497,299,733** | **321,045,590** | **176,254,143** |

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**APPENDIX 9**

**ANALYSIS OF BASE BUDGET MOVEMENTS**

| **Base Budget Movements from 2023/24** | £'000 | £'000 |
|---|---|---|
| **2023/24 Base Budget** | | **146,774** |
| Capital Funding Reserve - balance not available after 22/23 | | 348 |
| Reversals of use of balances | | 5,950 |
| One off Contingency | | 1,959 |
| | | **155,031** |
| Inflation | | |
| General - major contracts | 2,800 | |
| Pay Inflation (note, this includes an element for 2023/24) | 7,399 | |
| | | **10,199** |
| Council Wide Items | | |
| Pensions - Increases in the lump sum deficit payment - figures from actuaries. | 558 | |
| Grant Reductions | 1,569 | |
| | | **2,127** |
| Capital/Treasury | | |
| Cost of Capital Programme | 2,789 | |
| | | **2,789** |
| Service Pressures | | |
| Childrens Pressures | 10,348 | |
| Childrens - reprofiling of Foster Care Saving (£4.5m total) | 3,500 | |
| Additional cost pressure - Adults | 13,937 | |
| Additional Social Care grant funding | (4,064) | |
| Systems costs | 66 | |
| CATs | 550 | |
| Other | (434) | |
| | | **23,903** |
| Savings | | |
| Approved in 2023/24 Strategy | (8,411) | |
| In Year Savings | (9,122) | |
| Assumed savings ref. capital investments | (262) | |
| | | **(17,795)** |
| **Base Budget** | | **176,254** |
| Less Funding | | |
| Council Tax Income | 80,978 | |
| Council Tax increases | 4,041 | |
| Council Tax growth in base | 1,933 | |
| Council Tax Collection Fund | 1,416 | |
| Revenue Support Grant | 12,393 | |
| Parishes CTS Grant | (33) | |
| Top Up | 5,919 | |
| Retained Business Rates - local projection | 37,329 | |
| Section 31 Grant - local projection | 13,019 | |
| **Total Funding** | | **156,995** |
| **Base Budget Gap** | | **19,259** |

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**APPENDIX 10**

**SCHEDULE OF SAVINGS PROPOSALS**

| Description of Saving | 2024/25<br>£ | 2025/26<br>£ | Total Saving<br>£ |
|---|---|---|---|
| Service Restructures and staff savings across the organisation | 2,783,118 | 223,093 | 3,006,211 |
| Income generation including Nuplace, leisure services and trading operations | 5,686,863 | -748,484 | 4,938,379 |
| Service Review/Re-design | 1,606,000 | 992,495 | 2,598,495 |
| Optimise NDR income | 300,000 | 0 | 300,000 |
| Procurement efficiencies through review of contracts and capitalisation | 419,000 | 46,000 | 465,000 |
| Efficiencies through rationalisation of properties | 210,000 | 150,000 | 360,000 |
| Various other efficiencies across the organisation | 6,561,716 | -89,866 | 6,471,850 |
| **TOTAL SAVINGS** | **17,566,697** | **573,238** | **18,139,935** |

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**Appendix 11**

**Children's Safeguarding & Family Support – Continuous Improvement Plan**

**Introduction:**
Councils spent £11.1bn on children's social care in 2021/22, an increase of 41.6% in real terms since 2009/10. Local authorities nationally have routinely overspent on their children's social care budgets for the last 9 years. By 2021/22, 46% had overspent by at least 20% and 10% of local authorities by at least 40%. As a result, acute social care has been prioritised at the expense of other children's services. This is unsurprising given that between 2009/10 and 2021/22, spending on children in care rose by 49.4%, while spending on children's centres and on children under five fell by 73.4%.

Spend is being driven up by the exponentially rising costs of residential care, while at the same time, local authorities are becoming over reliant on expensive agency staff due to the first decline in the numbers of children's social workers in a decade. Cases have become more complex, there are clear sufficiency challenges, and the sector lacks the funding or policy changes needed to tackle the scale of problems being realised.

Children's residential care accounts for over a third of spending on children in care. Between 2015/16 and 2021/22 the amount spent on residential care has increased by 66.2%, including a 14.6% increase in 2021/22 alone. Supply constraints and higher demand, exacerbated by the government withdrawing unregulated accommodation for under 16-year-olds in 2021, are pushing up costs. The situation is so dire that the Department for Education has categorised the risk of market failure in children in care placements as "critical to very likely" during 2023/24.

Our continuous improvement plan is very much focused on reviewing and re-modelling services and finding new and innovative ways of doing more for less. Whilst doing so, our foremost priority is to promote the wellbeing and safeguarding of vulnerable children and young people, in line with our statutory responsibilities.

**Local Challenges:**
- Telford and Wrekin has an increasingly growing population with the population size having increased by 11.4%, from around 166,600 in 2011 to 185,600 in 2021. This is much higher than the overall increase for the West Midlands (6.2%) and England (6.6%). There has been an increase of 8.3% in children aged under 15 years.
- In Telford and Wrekin, 15.6% of the population was income-deprived in 2019. Of the 316 local authorities in England, Telford and Wrekin is ranked 60th most income-deprived. Of the 108 neighbourhoods in Telford and Wrekin, 29 are among the 20% most income deprived in England.
- Demand for Children's Social Care is higher than it has been for the last five years with the referral rate per 10,000 children in Telford and Wrekin at 543. Whilst this is higher than the West Midlands, it is lower than both our statistical neighbours and all England rate.
- As of 1 April 2023 the rate of looked after children per 10,000 child population was 108.77 against a West Midlands rate of 91.5, England rate of 71.28 and statistical

neighbour rate of 76.7. The Telford and Wrekin rate has decreased considerably since this point and is now 103.73 (as at 24/11/2023).

- The longer-term Covid legacy impact has resulted in some parental concerns being left unaddressed for extensive periods, which has contributed towards negative impacts for children and reduced family resilience.
- Demand pressures have resulted in services prioritising young people and families in crisis, rather than preventive and early help services.
- There are increased complexities in the needs of many of our children and families.
- Increased demand and rising unit costs, particularly for looked after children, is a substantive issue for children's social care. Care Market costs have significantly increased above inflation with workforce being a challenge.
- There is a lack of adequate accommodation across the system but there is also a lack of local accommodation which has negative consequences for children, i.e., leading to them being moved far from family and wider kinship networks. 45% of our looked after children are placed out of borough with 19% placed more than 20 miles from their home.
- Accommodation for children with complex and specialist needs is the scarcest; there are no secure children's homes in the West Midlands.
- The government withdrew the use of unregulated accommodation for under 16-year-olds from September 2021. While intended to improve the quality of children's homes through better oversight, this has placed extra demands on the system. This pressure will intensify given the decision to extend this to 16- and 17-year-olds from October 2023. Research suggests that the Department for Education (DfE) has allocated £123m to cover the impact of these changes over the next three years, but when taking account of demand growth, it is estimated that the total cost to local authorities could be nearly three times this.
- National foster carer shortage – both in terms of recruitment and retention.
- Workforce availability across health and social care. The most important factor in retaining social workers is high caseloads with issues related to being overworked were those most cited by people considering leaving the sector.
- In December 2021 the National UASC Transfer Scheme (NTS) was made mandatory to ensure more equitable distribution of new arrivals across the country. In August 2022, the NTS rate was increased from 0.07% to 0.1% of a LA's child population and, in a push to end the use of hotels to accommodate UASC, the ten-day transfer deadline was reduced to five working days. This has had a significant impact in Telford and Wrekin, with numbers now at 42 (having more than doubled over recent years); making up 9.72% of our overall looked after children population. Many have suffered complex trauma and need additional support.
- We continue to see evidence of the ripple effect felt by our children's services stemming from external factors beyond our control as a local authority. Some of the factors are mentioned elsewhere in this report, such as housing, the cost-of-living crisis and challenges faced by other partner agencies. Education, schools and pressures in the health service have a significant impact on children, and their families, as well as detrimentally on children's services.
- Child sexual exploitation, child criminal exploitation and county lines gangs.
- There is significant evidence relating to the increasing poor emotional wellbeing and mental health needs of children, and their parents and carers, plus a body of national policy and service provision to both prevent and tackle this.

- There are also challenges and pressures on the education and SEND system (including the high needs block of funding) which are of equal concern.
- In Telford and Wrekin, the highest of all starters in both 2021-22 (35%) and 2022-23 (21%) were aged 0-1. This is an age group where early help, parenting programmes and effective pre-proceedings work can have a significant impact on outcomes for families. In 2022-23, 59% of new entries into care were aged 11+ which is an age group where early help, edge of care, child exploitation and diversionary services can have a considerable effect in avoiding care.
- There are an increasing number of young people aged 16-17 presenting as homeless. This is another key area of focus with the development of a Telford and Wrekin Joint Housing Protocol.

**Our Operating Model**

Our approach to delivering children's services is to ensure that every child has the right to grow up in their birth family, where it is safe for them to do so, and in their best interests. This principle is grounded in Article 8 of the Human Rights Act 1998 – right to a Private Family Life. Where it is not possible, our aspiration is for them to reside within their family or relational networks.

Therefore, the lens of our practice when working alongside families is first and foremost how we can support parents to make this happen. We consider how we can aid the capacity of birth parents to make changes to their parenting to meet the needs of their child or children, utilising professional support complemented by a framework of support available from their extended network of family and friends.

This includes involving extended networks at the earliest stage in terms of identifying support to enable parents to care for their child/children, identifying who could care for their child/children in a crisis or if the situation became unsafe for the child to remain in their parent/s' care and any support that may be required to enable this to happen. As well as ensuring that the child/children/young person maintains meaningful links with people that are important to them.

This is reflected within our Family First Strategy and overarching practice framework which outlines our relational approaches when working alongside children, young people and their families, and our commitment to this approach.

<u>DFE's Strengthening Families, Protecting Children Programme: Family Safeguarding</u>

Telford and Wrekin Council applied and were successful to join the DFE's Strengthening Families, Protecting Children Programme, where £84 million has been invested over 5 years to support up to 20 local authorities to improve work with families and safely reduce the number of children entering care by adopting one of three successful models developed elsewhere.

Family Safeguarding was developed by Hertfordshire County Council in 2015, where it has delivered a radical impact in improving outcomes for children and their families whilst also significantly reducing demands and costs for the county. The model has been independently evaluated as being very effective, has been complimented by Ofsted and is being replicated

by local authorities across the country. Key to its success is the initial intensive support provided to both children and the adults in their families.
The Family Safeguarding Model is predicated on multi-disciplinary joint children and adult teams. The model will therefore be implemented by building on the skills mix of our current Children's Social Work teams by adding community-based mental health staff, domestic abuse specialists and substance misuse workers.
The new model went live in Telford and Wrekin in July 2021. There is ongoing embedding of the Family Safeguarding Model which is already seeing a reduction in re-referrals into children's social care.

Family Hubs
Telford and Wrekin was one of 75 LA's eligible for Government funding to implement a family hub model having been pre-selected in LA rank order using the Income Deprivation Affecting Children Indices. Family Hubs are very much focused on the importance of giving families the support they need recognising that all families need support from time to time to help their babies and children thrive, whether that's from friends, family, volunteers, or practitioners.

The ambition is for every family to receive the support they need, when they need it. Family Hubs enable all families to have access to the information and tools they need to care for and interact positively with their babies and children, and to look after their own wellbeing. They look to improve join-up between state and non-state services and take a whole family approach better supporting families to access the help they need. Evidence is clear that identifying risks early and preventing problems from escalating leads to better long-term outcomes.

Family Group Conferences/Family Conversations
Families are offered the opportunity to engage in a family group conference. The ethos of this is to recognise the strengths that are evident within the family and how these can be built upon to support in meeting the needs of the child/young person, supporting them to resolve difficulties using their own knowledge and skills which is complimented by professional support.

Linked to this we also offer family conversations to enable the extended relational network of a child/young person to be able to voice their opinions; sharing their knowledge and expertise to devise a family plan to meet the child/young person's needs and to help keep them safe. Family meetings need to occur at the earliest stage to support parents caring for their children, but also as a mechanism for identifying who could care for the child in a crisis or be considered to care for the child if it is not safe for them to remain at home with their parents. The meetings also seek to identify any barriers for family members/extended networks being able to care for a child/young person and provides an opportunity for support to be provided early with an aim to mitigate any difficulties identified.

NSPCC Reunification Practice Framework
When a child is being cared for by the local authority we will continually review if it is in the child's best interests to return to the care of their parents or be placed within their relational network and identify the support that would be required.

If a child is subject to a Care Order and is placed at home with his/her parents under Care Planning, Placement and Case Review Regulations 2010, the local authority will keep the arrangement under regular review and seek to revoke the Care Order at the earliest opportunity once assessments show that the parent/s have been able to make and sustain positive change.

In 2019-20, the NSPCC Reunification Practice Framework was introduced in Telford and Wrekin's children's services. It was reported in our 2020 Ofsted inspection that we have "A highly effective and creative service [that] successfully assists children, especially older children, to remain with their birth family, or supports a return to their family wherever it is safe to do so… Families are supported to ensure that changes are sustainable, avoiding the need for further care episodes and reducing the need for further statutory involvement. Exit strategies are carefully planned to ensure that families can sustain change themselves."

Family Solutions

The Family Solutions service includes Family Group Conferencing and works to achieve several key outcomes that feed into the cost improvement plan.
Our services refer to Family Solutions when it is considered that a child is perceived to be at the 'edge of care' or at risk of becoming looked after.

Family Solutions also support children and young people to stepdown from residential to foster placement, providing clear stepdown plans and working with all involved to ensure that there is robust planning to achieve successful transition and prevent placement breakdowns. The remit of this offer is now broader, with support for some of our older young people to transition to semi-independent living arrangements and support for reunification plans, with the whole team trained in and championing the NSPCC reunification practice framework.

Systemic Practice

We are now in the seventh year of embedding Systemic Practice in to make system changes to the way we work with children and young people. The systemic practice model is family-focused, and strengths-based, to build families and/or young people's capacity to address their own problems more effectively.

We have delivered whole service implementation of the systemic practice model. The practice model enables our workforce to work intensively with families to empower them to solve their own problems and change behaviours instead of referring out to others.

The Systemic Team also deliver systemic PODs to support both families and practitioners which ensures consistency with our relational and systemic approach and avoids the need to commission high-cost therapy externally.

Family Networks

Family Networks Pilot through the Department for Education as part of the programme launched to transform children's social care. This pilot is designed to help keep more children in loving and stable family homes where it is safe to do so. The purpose of this pilot is to find transformative ways to involve wider family members with funding to support parents so that children and stay at home with their families. The pilot will conclude in March 2025.

Together4Children

We continue to be part of the Together4Children Regional Adoption Agency (RAA) as a partnership between Shropshire Council, Staffordshire County Council, Stoke-on-Trent City Council and Telford & Wrekin Council. The RAA delivers a range of functions, including:

- Recruiting and assessing adoptive families;
- Finding families for the children from our region who need adoptive families;
- Providing adoption support services to adopted children, their families, birth families and adopted adults.

In-house Fostering Strategy

As corporate parents our ambition is to recruit and retain the best foster carers to provide the best possible care for our looked after children. Our "in-house" foster carers are central to our aims to secure the best possible outcomes for children in our care.

We have increased both the support provided and financial incentives to our in-house foster carers, aiming to reduce future costs of the service by increasing the number of in-house options, as well as ensuring that in-house foster carers have the financial resources to provide the best care possible for children in their care.

This has enabled the authority to become financially competitive in the foster care market and has ensured that existing foster carers remain with the borough. We are also holding family finding events and focusing on targeted recruitment campaigns for foster carers able to care for sibling groups and fostering plus placements.

We have also:

- Introduced the Mockingbird Model. Mockingbird uses an extended family model, in the form of 'constellations' which consist of a 'hub' home and several 'satellite' homes nearby. The specially recruited and trained hub home carers offer respite care, peer support, regular joint planning and social activities. Because of its structure, Mockingbird helps alleviate the sense of isolation foster carers can feel and offers immediate practical support - similar to that a non-fostering family might receive from friends and relatives.
- Further developed our marketing strategy, with a dedicated resource to make the Telford and Wrekin fostering brand more visible across the borough.
- Reviewed our recruitment processes to ensure that the service responds swiftly to all enquiries and visit all potential new carers as soon as they express an interest in becoming a foster carer for Telford and Wrekin.
- Developed our support offer to Foster Carers which includes access to therapy to promote wellbeing and improve placement stability for our children and young people.
- Worked with colleagues from across the Council to look at additional ways to support our in-house fostering service to support our carers to care for children and young people with disabilities or additional support needs, e.g. through adaptations and housing offers.
- Enhanced focus on Family and Friends foster care.

Commissioning and brokerage of care and placements

We are in the process of implementing the Valuing Care tool to existing commissioning and brokerage processes and practice – with a focus on home finding and provider management. The aim is to demonstrate an alternative approach to finding care which better meets need and provides better value, by more clearly and accurately describing the child's need and focussing on strengths and aspirations.

As part of this we will be looking to identify opportunities for changes to care, support and placements (inc. step down, reunification, permanence, alternative level of support, engagement with health). We are also delivering an intervention which uses the 'Family Values' approach to improve, develop and strengthen foster carer recruitment and retention.

Child and Family Ambassador Volunteer Scheme

The service is currently reviewing the Telford and Wrekin Children's Volunteering Strategy: The Child and Family Ambassador (Volunteer) Scheme and its role in supporting service delivery and increasing support to children and families. There are clear savings to be made from using volunteers and providing additional capacity for demand and supporting exit strategies for practitioners.

Reducing Parental Conflict

Following our successful application to the Reducing Parental Conflict (RPC) Workforce Development Grant, a Reducing Parental Conflict partnership conference was held in February 2022 to raise awareness and knowledge and enhance skills around Reducing Parental Conflict. We have also developed and implemented a bespoke intervention tool kit and introduced experts' 'Specialist Relationship Champions' across the Partnership to be a point of contact to share good practice and knowledge. We have also enhanced practitioner training completed by Relationship champions.

Investment in specialist Criminal Exploitation Team

We have invested in our CATE team and have commitment to complete all recommendations following on from the Independent Inquiry Report.

Improved collaboration

Participation and consultation is embedded as standard practice with children, families, carers and staff, including the introduction of the Dandelions Group - our Parent Participation experts.

Practitioner recruitment and retention

Introduction of a Social Work Progression Framework to better support our Social Worker recruitment and retention.

**Summary**

The ongoing development of our Children's Services Improvement Programme aims to ensure that families experiencing complex and multiple difficulties will receive accessible co-ordinated support at the time that they need it. Targeted and specialist interventions are offered to children, young people and families with existing risk factors and vulnerabilities in order to reduce the severity of problems that have started to emerge and prevent problems escalating.

We want to achieve good outcomes for all children and families in Telford and Wrekin, as quickly and effectively as possible. Ensuring good outcomes for vulnerable children requires a strong collaborative approach between all agencies and a culture of mutual support and challenge. We will continue to promote integrated working across all tiers of need and evaluate service provision to ensure they are meeting our objectives.

The aim is to continuously review, appraise and prioritise change activity to deliver corporate and departmental objectives. Within this will be the oversight of our high-level change programme plan focused on identifying and delivering opportunities across the child's journey to improve outcomes and reduce costs.

**APPENDIX 12**

**Adult Social Care (ASC)**
**Continuous Improvement Plan**

## 1 Current Challenges

- Demand for Adult Social Care (ASC) continues to rise each year, people are living longer and there are more people living with long-term conditions, particularly dementia within residential and domiciliary care.
- There are increasing numbers of young adults in transition to ASC with complex needs.
- Care Market costs are increasing at a significant rate with workforce costs and recruitment being a challenge.
- We are also seeing increased numbers of people with complex needs discharged from hospital or supported at home to prevent hospital admission.
- The longer-term Covid legacy impact upon the availability and cost of care continues to be a challenge for our providers.
- The increased complexity of the needs of some people who we continue to support in their own home.
- Challenging workforce availability across health and social care.
- Telford and Wrekin has an increasingly older population with the prevalence of age related conditions.
- The length of stay of people in residential and domiciliary service has significantly increased over a number of years which has increased the demand on resources.

## 2 Population Key Facts

- The Census 2021 estimated there were 185,600 people living in Telford & Wrekin; 32,970 are over 65 years old. Although the population of the Borough is set to increase in coming year, very little of this increase will be in the working age population.
- 11.4% population increase, fastest growing in the West Midlands. 35.7% increase in the 65+ year old population and 52% increase for 70-75 year olds.
- There are estimated 18,000 people providing unpaid care to a partner, family member or other person.
- 1 in 5 or 20.5% of the population are disabled compared to England 17.7%
- For more information about the population of Telford and Wrekin, visit www.telford.gov.uk/factsandfigures

## 3 Our Operating Model

In Telford and Wrekin Adult Social Care we continue to follow a Person-centred Strength and Community Asset Based Approach which seeks to enable people with care and support needs to live as independently as possible in their own

homes and communities. Our approach importantly focuses upon ensuring prevention early intervention access to information and advice about health and social care. This enables people to make informed choices to enable them to keep independent whilst getting the information they need when they need it. Given the challenges currently faced across health and social care nationally as well as locally, it is critical that we continue to follow this approach in order that people do not enter long term support services too early so we can manage the resources we have to best impact for local people with care and support needs.

Part of the overall operating model is a financial model. This is used every year to estimate the expenditure and income likely to accrue from the delivery of care at the anticipated demand and based on estimated provider rates. Population is just one of many factors which are taken into account in developing the model, others include complexity of care, Government and Council strategy, and the impact of partner organisations on Social Care activity and funding. The volatility and complexity within the service means that there is always likely to be uncertainty in the predictions of demand which makes it challenging to predict budgetary impact. A three year planning horizon is used to determine the budget requirement in the medium term. Once the budget is set around March, detailed monitoring of financial performance and issues ensues throughout the year. Reports based on spending and income profiles are prepared in order to provide good quality financial information for the service and for updating the Council's SMT and Cabinet Members. Modelling is a dynamic process and is regularly updated as the position moves during the year.

Due to the Coronavirus pandemic, we have experienced increased numbers of people particularly on our hospital discharge and clinically led intermediate care pathways. We have also seen an increase in the numbers of people referred to our Health and Social Care Rapid Response and all Adult Social Care Teams. These teams support people to avoid any unnecessary hospital admissions and enable them to remain in their own home wherever possible and to live a life free from abuse. Our intention is to strengthen how people gain information, advice and support in partnership with the voluntary sector and health partners.

**Co-Production and Making It Real**

Co-production is about hearing the voice of the person(s) who access and/or use adult social care services. By creating an equal partnership between people who access adult social care and professionals, we can work together to make the best use of resources, deliver better outcomes and build stronger communities. Co-production is built on the principle that those who use services are best placed to help design them. We work in partnership with experts by their experience to continue to develop adult social care into a modern aspirational service.

The Making it Real Board with our other specialist partnership boards work together to ensure we deliver our statutory duties in the most impactful way. Our Making It Real board is made up of people who use adult services or who are interested in the development of adult social care (ASC) in Telford and Wrekin. The board works in co-production with council leaders, making recommendations on how different service areas can improve and develop, with the aim of seeing services progress towards more person-centred, community-based support.
As 'experts by experience' the board members are uniquely placed to ensure that council leaders are kept in touch with the day-to-day realities for people who use services and their carers and that local people are placed at the heart of decisions around the future of adult social care in the borough.

**Prevention, Early Information and Advice**

We continue to develop and improve the level of information, advice, support and guidance at our first point of contact, enabling people to help, support themselves to maintain their independence as far as possible. This helps us ensure that we can support the most vulnerable in our communities. Part of the initial support, where it is appropriate to do so, is to signpost to available and suitable community assets.

There are a range of early help, advice and interventions dependent upon the level of need that help us ensure that we use our resources proportionately:

Live Well Telford (LWT)

Our on line all age Directory of services provides self-help options, whilst promoting choice, control and independence for people to help themselves. Live Well Telford provides information and signposting to a wide range of services, activities and organisations in the area, to help everyone find the support they need to live healthy independent lives. People can look for information on services, activities and organisations who can give advice or practical support, help at home, health conditions, childcare information, leisure information and much more. Over 1500 Services are now registered and available on LWT.

**Wellbeing and Independence Partnership (WIP)**

Working in partnership with Voluntary organisations who provide individuals with information, advice, support, guidance and advocacy services without the need to contact ASC services

**Family Connect**

Providing specific social care information, safeguarding, advice, and signposting to other relevant services and organisations in line with the Care Act.

**Live Well Hubs**

We continue to provide information, advice and guidance through our hubs and booked appointments. This means that individuals and their families can have an early conversation with ASC staff about their care and support needs with the intention of promoting their independence for longer.

**Calm Café**

Providing support to those with emotional and mental health care and support needs – a space to meet likeminded people and gain support from trained staff.

**Independent Living Centre**

The independent Living Centre run in partnership with the CVS is now well established in the town centre and offers a drop in and booked appointments for information and advice about staying independent. This is includes practical advice, equipment and assistive technology. There is also an online 'Virtual House' where from the comfort of people's own home a virtual tour of a house with examples of independent living equipment and technology that can be purchased directly: Virtual House Tour This resource is particularly important as we see the numbers of older adults in Telford and Wrekin increasing over the next few years and we want to make sure that we are providing that early information to prevent or delay higher levels of interventions being required.

**Carers Wellbeing**

For the third year with our local partners we have developed a Carers Wellbeing guide that has been circulated widely across communication channels and to carers known to the Council and partners: Carers Wellbeing Guide This gives Carers key information about the support available in Telford and Wrekin.

**Transition to Adulthood**

The ALD Team support all young people preparing for Adulthood from the age of 14. This enables time for the Adult Social Care worker to work with the young person, carers, Children's services, health and education to build a relationship and plan for services for when young person reaches 18. It is important for our commissioners to be able to understand service needs and plan for the future based on the young people who will need support from Adult Social Care. They link with developers, care providers and housing to develop services, looking at those who may require individual support and those young people who benefit from shared support. The transition process enables us to also support young people to get to know the universal support they can access in the community to maximise their independence and social inclusion. Alongside this we are working with leisure services to increase opportunities for inclusive leisure in Telford and Wrekin, where we are considering the current and future needs of individuals to help lead fulfilling lives. Working with carers is paramount in helping to achieve desired outcomes for the young people, whilst supporting carers to continue to maintain their caring role.

## Specialist Housing Options and Extra Care

Our specialist housing options and extra care offer continues to grow in Telford – promoting independence in a cost effective way, enabling people to live in the community with their own front door, with assistance.

## Digital Transformation

We are currently working with social care providers across our ICS to pilot digital social care technology, funded via NHSX, including digital social care records (DSCR) to ensure data is captured at the point of care and can be shared between care settings; and fall prevention technologies that can reduce the frequency and severity of hospital admissions.

The adoption of care technologies, including 'Ethel', will enhance the quality, safety and efficiency of social care. Ethel is an innovative touchscreen tablet that allows families and carers to stay in touch with the person via use of an 'always on', large touchscreen tablet. It allows an older person, or a person living with disabilities to contact a pre-set list of contacts like family members, a carer or health professional simply by tapping the screen, promoting independence for the person.

## Hospital Discharge

We continue to work with partners in an integrated discharge team supporting people with complex needs, to leave hospital when they are medically fit to do so. We use a strengths based approach post hospital discharge and ensures that only individuals with complex needs go on to have clinically led intermediate care and many more are supported with community resources and assets to return home.

## Care Act Assessments and Long Term Support

Our trend in providing long-term care demonstrates that we are supporting more older people to live within their own home and supporting people with a physical / sensory disability with their independence. We continue to perform well nationally being in the top quartile for the numbers of people supported to live in their own home as opposed to residential care supported by our community social work and occupational therapy teams and options for housing support including extra care provision.

We have a specialist team supporting those with learning disabilities and autism and a team supporting those with mental health issues. This ensures that staff have expertise in supporting people in these group and this has enabled the team to support even more individuals towards greater independence whilst supporting family carers too.

Following engagement with people and their families, we developed the Learning Disability Strategy, Ageing Well Strategy and Autism Strategy. The associated Partnership Boards enable us to develop our offer to meet current and future needs.

We are currently working with partners and local people to develop an all age Carers Strategy and a Mental Health Strategy for Telford and Wrekin.

**Supporting our Care Provider Market**

We continue to work closely with our Care Provider Market and have co-produced our Market Position Statement: Market Position Statement with Partners in Care and Care Providers to develop our market to meet current and future need. Our Market Position Statement sets out our story so far and will be refreshed in co-production with our care sector on 2024/25.

**APPENDIX 13**

# TELFORD & WREKIN COUNCIL

# 2024/25 EFFICIENCY STRATEGY

**January 2024**

**Foreword**

This Efficiency Plan covers only the money the Council receives through Revenue Support Grant (RSG). It does not include all the funding received from Government e.g. other revenue grants such as New Homes Bonus or any capital funding. Total local authority funding is clearly in need of urgent review before it further entrenches this country into areas that "Have" and those that "Have-Not".

The reductions in Government grants both to RSG and other grants in recent years have a disproportionately higher impact on areas with greatest social need. This is primarily why those areas that had higher levels of grant received that funding i.e. to cover the additional costs that they face meeting pressures caused by significant levels of deprivation.

In Telford & Wrekin some of our wards are among the most deprived in England, areas with very high social needs.

At a time when grant has fallen, we are seeing greater demand than ever for many of our services, which are there to support those people with greatest social need. This simply isn't happening on the same scale as in more affluent areas. In our borough, there are now very real pressures on our services such as those for children and adult social care. These council services play a key part in preventing pressures on an already over-stretched NHS. Without this support, the NHS will struggle.

This is core to our Fair Funding argument and why we believe the Government should raise the average spending power in the borough, which by its own measure is £20m below the England average.

This Council has constantly supported Government policies to help promote growth and is very pro-business. Through our Job Box programme, we have gone way beyond what is expected of a council, proactively tackling unemployment, boosting skills and training in our borough, halving youth unemployment here.

At the same time we are effectively penalised for supporting Government initiatives to restrict rises in council tax and for having the lowest council tax rate in the region.

We are penalised because average house values here are much lower, around two thirds are band A or B, yielding a proportionately smaller level of council tax than more affluent areas.

Given the lower average incomes of our residents, our scope to raise more through council tax is very limited compared with more affluent areas.

This is a toxic combination at the heart of a funding system that works against areas like Telford and Wrekin that strives so hard to do the right things.

This is why we ask our MPs and community leaders to join us in pushing for funding that is fair to all parts of the country - that recognises the advantages some areas such as the South East enjoy because of where they are, while helping those have-nots who do the right thing but lose out simply because of where they are on a map.

Cllr Shaun Davies
Leader

## 1. Introduction and Overview

This Strategy has been developed to ensure that the Council can continue to qualify for the Flexible Use of Capital Receipts from Government.

The Council has an excellent track-record in financial management and innovation with spend being within budget for the past 17 years, despite unprecedented cuts to the grant that we receive from Government, and delivering efficiencies is a key component to this. The Council has consistently received an unqualified audit opinion from its external auditors.

This Strategy was initially built on the relevant sections of the Council's Service & Financial Plan for 2016-2019 which identifies how efficiencies and savings will be delivered. The Council's Medium Term Financial Strategy is updated annually and the plan for 2024/25 to 2027/28 can be found at www.telford.gov.uk/budget

Since, the adoption of the Service & Financial Planning Strategy by the Council in March 2016, the Council has continued to develop its projections of the organisation's financial position to 2027/28.

By the end of 2023/24 the Council will have delivered ongoing budget savings of £156.9m; additional ongoing savings identified for 2024/25 total £25.3m with a further £2m in 2025/26. This has been, and remains, a huge task and one that has required fundamental redesign of the organisation and the ways that we do business.

Future savings will be significantly more challenging as the "low hanging fruit" has already been harvested making medium term planning and increased certainty over grant levels essential. The proposed flexibility over the use of new capital receipts will greatly assist in funding the necessary one-off costs associated with the huge transformation programme that the Council is undertaking.

## 2. Telford & Wrekin: The Place

Telford & Wrekin Council serves a population of 185,600 people which is forecast to grow to around 198,800 by 2031. The borough has one of the fastest growing populations outside of the South East. Our population grew by 19,000 people between the 2011 and 2021 censuses.

As our population grows, it is ageing and becoming more diverse. The number of residents aged 65+ increased between the censuses by 35.7% - the greatest change of any upper tier local authority.

The borough is a key growth hub in the West Midlands in terms of both housing and the local economy and jobs. We have a strong track record at attracting inward investment from both the private and public sector including £70m from the Ministry of defence and in excess of £80m from Magna (automotive supply chain manufacturing). Manufacturing provides 16.3% (8% England) of jobs in the Borough.

Telford is the focus for much of our housing and economic activity, with the historic market town of Newport to the north and the UNESCO world heritage site of Ironbridge to the south on the banks of the River Severn.

Although at face value it is a successful and attractive place to live, Telford & Wrekin is an area of contrast with 17 neighbourhoods ranked in the 10% most deprived nationally bringing very

real challenges as to how we ensure that all of our population shares in the prosperity which our growing economy generates. These inequalities have been impacted by Covid and the cost of living crisis.

More information about the Borough's population can be found on our website: https://www.telford.gov.uk/info/20121/telford_and_wrekin_insight

## 3. Our Strategy

Our Efficiency Strategy includes three themes:

1. Our approach to delivering efficiencies to delivering savings
2. How new flexibilities in the use of capital receipts will be used
3. Prudential Indicators to ensure borrowing by the Council is affordable in the medium to long term.

This strategy will be reviewed at least annually and updated with the progress made delivering each of these themes.

### 3.1 Delivering Efficiencies

Telford & Wrekin Council has a proven track record of delivering savings and efficiencies. Between 2009/10 and 2023/24 the Council has delivered £156.9m savings including:

- Significant reductions in head count were necessary during the period of the Government's austerity programme.
- Cut back-office costs by over 50% since 2009, saving £14.9m a year.
- Delivered £15.8m procurement savings over the past 15 years by renegotiating and retendering contracts for the provision of services.
- Secured savings of £30m over the lifetime of the waste collection and disposal contract.
- Income streams include the overall positive impact to the Council from our investment in high quality homes for private and affordable rent through our wholly owned company, NuPlace, which is projected at £2.0m in 2023/24 after covering all additional costs.
- Net additional from the Telford Growth Fund is projected to exceed £8.7m in 2023/24
- We will receive £2.3m in 2023/24 from the New Homes Bonus, falling to just over £2m in 2024/25, paid by the Government to reward councils for increasing housing supply.
- Increased income from more commercial approaches across our services over the past two years, including increasing income from schools outside of Telford & Wrekin.
- Reduced the office space we use by a third, saving the Council £2m pa.

Moving forward, the Council will continue to focus on four themes to continue to deliver savings.

**Theme 1: Focussing on Solving Problems and promoting Social Responsibility and action to manage and reduce demand for services:**

- "**Demand Management**" - ensure that resources are targeted at those residents most in need of help. This is about understanding why people use our services and keeping them out of high cost systems.
- **"Prevention"** – avoid problems which place demand on public services by encouraging people to help themselves to prevent needs developing in the first place.

- **"Early Help & the Right Help"** – when individuals and families do need help and support, we want to identify them quickly and identify the right, effective support first time to avoid issues escalating and requiring more intensive and expensive intervention but also to avoid long-term dependency on our services.
- **"Think Family – Strengthening Families"** – to target our resources at those families most in need of support by taking holistic approach through a key worker model to "turning around" these families. This is a partner-wide agenda and is linked with "Enterprise Telford" through which we aim to deliver more jobs to promote economic independence.
- **"Working in Communities"** – to reduce demand by targeting our resources at areas in the greatest need of support and working more effectively with the resources which are already in place in our communities. Strong communities place the least demand on public services.
- **"Building Community Capacity"** – the need to harness the resources of the community, community groups and Town and Parish Councils, in helping to improve outcomes for our residents – this is core to our "Co-operative approach". This includes:
    - **Community self-help** – building people's social support networks by making best use of the resources and assets which are available in a local area – this helps people remain in and be an active part of their local community
    - **Effective co-production –** supporting the development of service provision by communities and moving away from a narrow focus of meeting needs through practitioner provided services.

**Theme 2: Challenging & Changing, Reviewing and Reimagining the way we do things**

We continue to evaluate the organisation to understand what is working effectively and efficiently and what needs to be changed. Through this we are able to create and seize opportunities. Examples of what we have done, and will continue to deliver, include:

- **Redesigning services and business process reengineering** to ensure that they are delivered in the most efficient and effective manner.
- **Redesigning and managing our front-door** to enable users to get the right service at the right time. Examples include "First Point for Business" and "Family Connect".
- **Challenging Policies** – e.g. for calculation of Minimum Revenue Provision (changing debt repayment from equal instalments of principal to an annuity basis with cumulative revenue benefits of over £40m
- **Working with the private sector –** to drive economic growth in order to generate jobs, increase prosperity for the residents and generate additional income for the Council from business rates and New Homes Bonus and Council Tax on new homes built in the Borough. Examples include work with the Telford Business Board and major local employers, the management of the Telford Town Centre shopping centre, house-builders and our Universities.

**Building on this progress, moving forward there are some major ways that we will change as an organisation:**

- "**Channel Shift**" by providing services and information in the most efficient way. For example, providing clear and robust information on the Council's website will mean that residents can "self-serve" and not need to contact the Council in other less efficient, more expensive ways such as by telephone or face to face.

- **"Improving Business Intelligence"** – we are a data rich organisation, but all services need to be better at turning this data into intelligence to understand who is using our services and the outcomes they receive. As we continue to change the organisation we need to understand the impact of these changes both in terms of efficiency but also in terms of impact on budget and the community too.
- **"Developing new ways of delivering services"** – we will need to be working in an ever more integrated way with our partners including Telford & Wrekin NHS Clinical Commissioning Group, Town and Parish Councils and the Voluntary and Community Sector.

**Theme 3: Reducing our Dependency on Government Grants**

We have already taken significant steps to reduce our dependency on Government Grants and we will continue to drive them forward:

- **"Increasing income through trading our existing services"** – there are many Council services that already "trade" outside the organisation and secure income. For example Finance and HR and Catering.
- **"New commercial development/projects"** – we have developed a track record on taking on new ventures to deliver income to the Council and protect front-line services:
    - A solar farm providing £4.4m profit over the next 25 years.
    - Established "NuPlace", a housing company which will provide over 400 new homes for private and affordable rent, with the first homes with the first homes now occupied.
    - Established a Growth Fund to invest in development of premises for businesses to encourage job creation and retention as well as generating additional rental income and business rates income

  We will continue to research and develop new opportunities that can bring in an income stream to the Council. Our approach will always be business case-based.
- **"Maximising existing funding streams"** – there are 3 main areas which we are already progressing and will continue to drive:
    - ***Business Supporting, Business Winning*** – continuing to work to attract new investment and work to support the retention and growth of existing businesses. As well as being the right thing to develop jobs and growth in the Borough, the Council currently receives 49% of all new **business rates**.
    - ***Growth Through Good Planning*** - this is a whole Council approach by which all services work to support and enable business investment in the Borough. Through this approach we have been ranked first by the 2021 Centre for Cities report for local authority for housing growth. Through this the Council will see **new Council Tax** and Business Rate receipts, as well as receiving the Government's "**New Homes Bonus"** for new homes – until any major changes to the local government finance system.
    - ***Property Investment Portfolio*** - a property investment portfolio delivering £7m income per annum from rental income.
- **"Securing external funding"** – again we have successfully driven this agenda, including £18.79m capital funding through the Marches Local Enterprise Partnership Local Growth Fund. In addition, we have also joined the ***West Midlands Combined Authority (WMCA)*** and are actively working through this to maximise future opportunities for the Borough to build on the £3.7m already secured from the WMCA. The £3.7m grant we have secured has kick-started building new homes on

stalled brownfield sites in the borough and created new jobs. These new homes will generate additional ongoing income for the Council from Council Tax of over £0.5m pa and New Homes Bonus grant of a similar amount for the first 4 years after construction.

To continue to reduce our dependency on Government Grants, building on our achievements to-date, we must continue to be creative, fast-acting and smart to identify and realise opportunities.

**Theme 4: Being a modern Organisation with Modern Practices and Where we Always Get the Basics Right**

Core to being a modern organisation is continuing to reshape the Council's relationship with its staff. We must continue to move towards a more flexible, more pragmatic and less bureaucratic approach to decision making. This means:

- Increased autonomy for managers and staff to take decisions
- Greater focus on workforce development
- Greater flexibility including wider more flexible working and job descriptions for staff
- Encourage creative thinking and challenge
- Focus on efficiency and reducing bureaucracy
- Increased staff engagement so that employee representatives will have a greater influence in the organisation

Whilst driving change and reshaping the relationship between the Council and its staff, we will continue to focus on getting the basics right, including:

- **Safeguarding our most vulnerable children and adults**
- **Procurement and purchasing** – ensuring that we maximise value from the services which we procure
- **Contract management** – ensuring that we always receive the service or products which we have procured through effective monitoring of delivery and renegotiation of contracts.

**Table 1: Savings by Theme**

| Theme | Savings | Savings | Total |
|---|---|---|---|
| | 2016/17 to 2023/24<br>£m | New Proposals (incl. 23/24 in year)<br>£m | 2016/17 to 2024/25 MTFS<br>£m |
| **1. Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services** | 5.4 | 3.8 | 9.2 |
| **2. Challenging & changing, reviewing and reimagining the way we do things.** | 47.9 | 9.2 | 57.1 |
| **3. Reducing our dependency on Government grants.** | 24.7 | 10.2 | 34.8 |
| **4. Being a modern organisation with modern practices and where we always get the basics right** | 4.5 | 0.7 | 5.2 |
| **Total** | **82.5** | **23.8** | **106.3** |

The ability to capitalise costs, detailed below, has supported the delivery of the savings delivered. Further detail of the proposed savings can be found in the Council's Medium Term Financial Strategy.

**Risks to Delivery**

As an organisation which provides a vast range of different services to the community and spends over £400m revenue per annum, the management of risks is an important consideration. The Council has a strategic risk register which is used to identify the substantive issues which may have a financial impact. This is reviewed regularly by Senior Management Team to manage and mitigate risks. As part of the budget setting process, risks, impacts and possible mitigation are considered for each saving proposed.

Reductions in funding is an acknowledged risk. While there was an inflationary increase in Revenue Support Grant (RSG) in 2024/25, there remains considerable uncertainty about future funding streams as the local government finance system is due to be radically changed – this is delayed until at the earliest 2025/26 - and currently there is no information to indicate the impact on individual authorities. The

Council undertakes a review of the level and adequacy of reserves and balances each year taking into account available funding.

Contingency arrangements are also key to a sustainable Service & Financial Planning Strategy. In 2024/25 a total contingency of £3.95m has been built into the revenue budget to cover any unforeseen expenditure during the year.

A robust monitoring regime is in place to identify any adverse variances early, including non-delivery of efficiencies, so that corrective action can be taken.

The Council has an Invest to Save/Capacity Fund created to support and accelerate the delivery of ongoing efficiencies.

### 3.2. Capital Receipt Flexibility

Telford & Wrekin Council welcomes the additional flexibility on the use of capital receipts generated up to March 2030. This will enable some of the revenue costs associated with significant organisational transformation. This includes:

- the necessary costs associated with remodelling and reducing the workforce;
- invest to save projects
- funding temporary additional capacity to project manage change programmes in key areas.

These would otherwise be a drain on scarce one-off revenue funds or alternatively delay the revenue benefits to the General Fund revenue account which would necessitate further cuts to front line services. We will be able to manage in a more strategic and planned way if this flexibility which has been requested by councils for many years is allowed.

We propose to use this flexibility as follows:

| | 2016/17 to 2022/23 £m actual | 2023/24 £m estimate | 2024/25 £m estimate | 2025/26 £m estimate |
|---|---|---|---|---|
| Service transformation costs | 4.7 | 0.4 | 0.7 | 0.4 |
| Severance fund – to fund one off costs associated with service restructure which deliver ongoing revenue savings | 8.4 | 0.6 | 1.9 | 1.9 |
| Invest to save fund to develop community capacity to deliver services which the Council will no longer provide. | 0.0 | | 0.1 | 0.1 |
| **Total** | **13.1** | **1.0** | **2.7** | **2.4** |

Spend capitalised using the capital receipt flexibility is assessed at each year end, using the Government Guidance (as updated in 2022) to ensure eligibility. At a high level, Service Transformation costs include invest to save initiatives, where funding has been used to initiate a service improvement, leading to efficiencies. This has included a number of projects, notably in Adult Social Care and Safeguarding, with the aim of establishing new processes and alternative care options in order to reduce future costs. Other service transformation spend has included the purchase of electric vehicles for the Council's transport services, case management systems and the implementation of cashless systems. Severance costs are associated with the Council's continual programme of service restructures which deliver ongoing savings. The Council also promotes partnership working and a small amount of one-off costs associated with transferring services to other organisations, again on an Invest to Save, may also be capitalised. Budgeted capital receipts 2023/24 to 2026/27 totals £14.33m.

### 3.3. Prudential Indicators

The Council's Medium Term Financial Strategy for 2024/25 to 2027/28 sets out the Council's prudential indicators for 2024/25. These indicators are designed to ensure that the Council's capital borrowing is affordable and does not place undue burden on the Council's revenue budget or Council tax payers (i.e. the cost of servicing the interest paid on capital borrowing). Planned use of the capital receipt flexibility is considered when Prudential Indicators are set.

The Council's Prudential Indicators for the Medium Term Financial Strategy will be approved by Full Council on 29 February 2024

# APPENDIX 14
# TELFORD & WREKIN COUNCIL STRATEGIC RISK REGISTER

**LAST UPDATED OCTOBER 2023**

Definitions used in the risk register:

## Likelihood of Risk Occurring

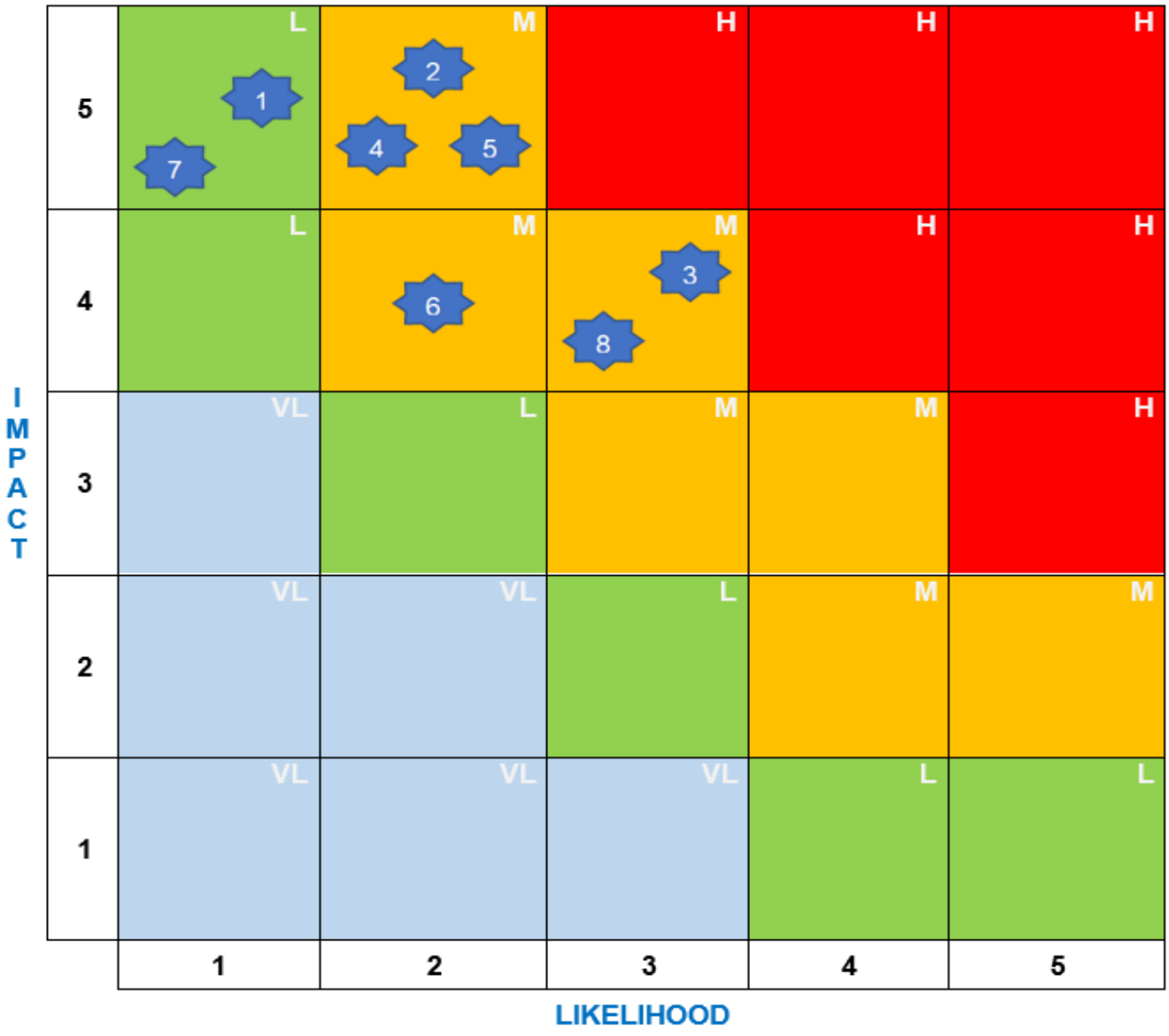
| Likelihood | Definition |
|---|---|
| **Very Low** | May occur in exceptional circumstances |
| **Low** | Risk may occur in next 3 years |
| **Medium** | The risk is likely to occur more than once in the next 3 years |
| **High** | The risk is likely to occur this year |
| **Very High** | The risk has occurred and will continue to do so without further action being taken |

## Impact of Risk if it does Occur

| Descriptor | Financial | Reputation | Physical | Environmental | Service |
|---|---|---|---|---|---|
| **Very Low** | None | None | None | None | None |
| **Low** | <£50K | Minimal/ minimal media/ social media | Minor | Minor locally | Internal disruption only, no loss of service |
| **Medium** | £50K to £1m | Extensive local media/social media | Violence or threats of serious injury requiring medical treatment | Moderate locally | Disruption/ loss of service less than 48 hours |
| **High** | £1m to £5m | National media/social media | Extensive/ multiple injuries | Major local impact | Disruption/ loss of service less than 7 days |

| | | | | | |
|---|---|---|---|---|---|
| **Very High** | >£5m | Extensive national media (lead item)/social media | Extensive multiple injuries/ death | Major national/inter national | Severe disruption/ loss of service more than 7 days. |

**Risk Heat Map**



## Corporate Strategic Risk Register (version 2022.2.1 - dated January 23)

Date of Last Review Oct 23

| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R1** | Failure to discharge duty of care for a vulnerable child or vulnerable adult. | Very High without controls<br><br>Change since last review = | Very High without controls – Physical Reputation Finance<br><br>Change since last review = | a) Safeguarding Partnership (Adults & Children) Community Safety Partnership and Youth Offending Service Management Board scrutinise performance, hold partners to account and drive practice improvement in the light of learning (e.g. Serious Case, Safeguarding Adult & Domestic Homicide Reviews).<br>b) Safeguarding Partnership works to develop systematic working across children and adult landscape.<br>c) The Council will invest £7.26m net additional funding into Adult Social Care services in 2023/24. The Council's net budget for Adult Social Care will be over £61m in 2023/24.<br>d) The Council's net budget for Children's Safeguarding will exceed £41m in 2023/24, benefitting from additional net funding of £2.5m in 2023/24 compared to 2022/23.<br>e) The combined total net budget allocation for these services will be in excess of £103m. | D Sidaway<br>J Britton<br>S Froud | **Very Low with controls**<br><br>Change since last review = | **Very High with controls – Physical Reputation Finance**<br><br>Change since last review = |

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| | | | | f) A general budget contingency of £3.95m, with an additional £3m held for inflationary pressures will be available in 2023/24. These can be used to support pressures in any Council budget including Adult Social Care and Children's Safeguarding which account for two thirds of the Council's net budget.<br><br>**Children:**<br><br>g) Safeguarding arrangements are routinely reviewed and developed in response to new statutory requirements as they are introduced<br><br>h) Workforce development strategy – recruitment and retention, learning and development including Systemic Practice across the Council's children's workforce.<br><br>i) Children's Services - systematic quality assurance role for all managers from frontline Team Manager through to CEX and DCS<br><br>j) No staff savings target for Children's Social Workers<br><br>k) A comprehensive package of market factors and recruitment and retention incentives have been implemented to aid the | | | |

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| | | | | recruitment and retention of social workers<br>l) Work to national inspection standards and respond to actions required from inspections.<br>m) OFSTED inspection of Children's Safeguarding January 2020 achieved "Outstanding"". An action plan has been delivered to respond to the small number of recommendations.<br>n) Independent Review of Child Sexual Exploitation (CSE) commissioned by the Council has been concluded. Recommendations from the review are in the process of being implemented.<br>o) 'Essential learning' for all employees includes both child protection and CSE.<br>**Adults:**<br>p) Adult safeguarding part of Safeguarding Partnership in compliance with Care Act requirements and new Adult Safeguarding Guidance & Regulations.<br>q) Adult Services - systematic quality assurance role for all managers from frontline team manager through to DAS. | | | |

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| | | | | r) Quality Surveillance Group chaired by Chief Officer of NHS England Area Team ensures co-ordination of quality & safeguarding issues across health & social care system.<br>s) 'Essential learning' for all employees includes adult safeguarding. | | | |

| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R2** | Inability to:<br>a) Match available resources (both financial, people and assets) with statutory obligations, agreed priorities and service standards<br>b) deliver financial strategy including capital receipts, savings and commercial income<br>c) fund organisational and cultural development in the Council within the constraints of the | Very High without controls<br>Change since last review = | Very High without controls – Physical Reputation Service<br>Change since last review = | a) Robust commercial approach taken by Council services in terms of increasing income generation<br>b) Rigorous medium term financial planning and regular monitoring and active management through S&FPG, SMT, Business Briefing and Cabinet.<br>c) Efficiency Strategy in place which allows the Council to qualify for the Flexible Use of Capital Receipts which enables the funding of revenue costs of reform and service transformation initiatives which deliver efficiencies<br>d) 'Savings programme, service reviews and restructuring.<br>e) Staffing, economic and environmental impact assessments of all savings | D Sidaway<br>M Brockway | **Low with controls**<br>Change since last review = | **Very High with controls – Physical Reputation Service**<br>Change since last review = |

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| | public sector economy | | | proposals and appropriate consultation mechanisms in place.<br>f) In-year savings exercises possible if necessary<br>g) Rationalisation of Council assets and accommodation<br>h) Prudent level of uncommitted one-off resources and in-year budget contingency of £3.95m<br>i) Delivery of capital receipts/rigorous monitoring of capital receipts realisation and impact on the budget<br>j) If necessary contingency plans reviewing phasing of planned capital expenditure, schemes included in capital programme, alternative potential disposals and further revenue budget cuts would be identified for consultation<br>k) Regular review of reserves and balances against risk exposure with significant level (£21.7m) of uncommitted balances available, held within the Budget Strategy Reserve to support the Council's Medium Term Financial Strategy<br>l) Track record of sound financial management having out-turned within budget for 15 consecutive years despite significant financial challenges arising from public sector austerity, the COVID pandemic and the | | | |

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| | | | | current cost-of-living emergency.<br>m) Safeguarding Children Cost Improvement Plan in place which is monitored by senior officers and members.<br>n) Adult Social Care Cost Improvement Plan in place which is monitored by senior officers and members.<br>o) Commercial project(s) for additional income generation as well as wider economic, social and regeneration purposes<br>p) Housing Investment Programme<br>q) Robust assessment of potential new investments through a proper due diligence and business case process to ensure that the Council is not exposed to an unacceptable level of risk either on an individual basis or when considering the entire investment portfolio<br>r) Specialist legal and taxation advice taken as required<br>s) Active Treasury Management in conjunction with regular advice and updates from specialist Treasury Management Advisors<br>t) Cabinet Members regularly briefed<br>u) All necessary strategies, policies and procedures in place to fully comply with CIPFA and MoHCLG codes and regulations with regular review | | | |

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| | | | | v) Established approval process for agreement of business cases for new investment from the Council's Growth Fund and Invest to Save/Capacity Fund.<br>w) All reports to SMT and Cabinet include a financial comment prepared by, or on behalf of the Council's 151 officer, that identifies the financial implications arising from the recommendations to avoid significant additional ongoing commitments being committed without appropriate consideration. | | | |

| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R3** | Losing skills, knowledge and experience (retention & recruitment) in relation to staffing. | Very High without controls<br><br>Change since last review = | High without controls – Financial Reputation Service<br><br>Change since last review = | a) Workforce Development Strategy in place with focus on delivering ambition of the Council being employer of choice. Strategy will focus on:<br><br>• 'Our workforce will have the skills and abilities to deliver our priorities and will have the opportunity to further develop<br>• Our managers will be leaders and will empower staff to deliver our priorities<br>• 'Our organisation will be more diverse and inclusive | D Sidaway | **Medium with controls**<br><br>Change since last review = | **High with controls – Service Reputation Finance**<br><br>Change since last review = |

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| | | | | offering a voice and fair treatment for all'<br>• 'Our workplace will be healthy and we will support our employees' wellbeing'<br><br>b) Senior Management, SDM and team leader development programmes.<br>c) Each service area has a workforce plan considering<br>• skills gap analysis and needs<br>• apprenticeships<br>d) Specific HR policies:<br>• use of market factor weighting for key groups<br>• flexible working policy<br>• staff benefit schemes<br>e) "Grow your own" scheme for roles that are hard to recruit to.<br>f) Review of induction programme and ongoing training and development completed<br>g) Lean Review of recruitment process and the development of the Council's employment "offer"<br>h) Council values, ethos, rewards and recognition<br>i) Annual Personal Performance and Development discussions for all staff along with regular one to one meetings involving employees and their line managers. | | | |

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| | | | | j) Staff awards ceremony to celebrate and encourage outstanding performance.<br>k) Review of the use of apprentices | | | |

| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R4** | Significant business interruption affecting ability to provide priority services, e.g. critical damage to Council buildings, pandemic, etc. | Very High without controls<br><br>Change since last review = | Very High without controls – Physical Reputation Service<br><br>Change since last review = | a) Each Service Delivery Team has Business Continuity Plans to enable them to respond appropriately (people, systems etc.), these are reviewed annually and updated following team changes and or incidents.<br>b) Continuity plans tested in live environment during the pandemic and also through scenario testing.<br>c) Serious Incident Protocol has been adopted.<br>d) Continue to invest in IDT capital programme. Data centre investment complete.<br>e) Improvement/upgrade/replacement of key IDT systems IDT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans.<br>f) Roll out of “office 365” and the cloud computing.<br>g) Investment in cyber security and awareness programme and training (see risk 7 also). | Angie Astley/Jo Britton | **Low with controls**<br><br>Change since last review = | **Very High with controls – Service Reputation**<br><br>Change since last review = |

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| | | | | h) Implementation of a 3rd generation firewall.<br>i) Strong and effective support provided by corporate IDT team to support the implementation of new service specific and corporate systems and upgrades to these systems which also ensures effective system testing arrangements.<br>j) Implementation of Climate change Adoption Plan | | | |



| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R5** | Inability to manage the health & safety risks in delivering the council's functions (including building security and cyber security).<br>. | Very High without controls<br>Change since last review = | Very High without controls – Physical Reputation Financial<br>Change since last review = | a) Reviewing, writing and monitoring of health and safety policies through SMT and Health and Safety Committee.<br>b) Risk based health and safety audit process of service areas and local authority managed schools, which not only audit implementation of health and safety policies but also proactively identifies shortcomings, actions and controls that need to be in place to manage those risks.<br>c) Significant findings of the audits are reported back though SMT | J Britton Director of Public Health | **Low with controls**<br>Change since last review = | **Very High with controls – Physical Reputation Finance**<br>Change since last review = |

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| | | | | and Health and Safety Committee.<br>d) Internal Health and Safety work to Health and Safety Executive (HSE) guidance and revise Policies and Procedures to ensure compliance with legal standards. Revisions reported back through SMT and reported via regular Trade Union meetings.<br>e) Lone worker and lone member risk assessments undertaken and appropriate processes are in place (and use of the Stay Safe system).<br>f) Building security kept under review.<br>g) System in place for reporting all accidents, incidents and near misses. Non reportable accidents investigated by service area.<br>h) All reportable accidents are investigated by Internal Health and Safety Team and significant findings reported to Health and Safety Committee. Other findings reported back to relevant Service area management<br>i) Training provided on Health and Safety through a mixture of e-learning and face to face.<br>j) Essential learning training for all employees includes health and safety and fire safety awareness. | | | |

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| | | | | k) Regular meetings with Trade Unions<br>l) Coordination and management of Personal Safety Precautions Risk Register to ensure safety of employees.<br>m) Appointed Cyber Security Manager to review and improve cyber security where required.<br>n) Cyber security part of essential learning for all employees.<br>o) Corporate review of list of 1st aiders to ensure adequate resource in place<br>p) Corporate review of list of fire marshals to ensure adequate resource in place<br>q) Enhanced risk assessments for specific individual/services<br>r) Updated personal safety training<br>s) Increased security at main Council buildings and at meetings. | | | |



| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R6** | Inability to deliver effective information governance. | Very High without controls<br>Change since last review = | Very High without controls – Financial Reputation | a) The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies) | D Sidaway | **Low with controls**<br>Change since last review = | **High with controls – Reputation Finance**<br>Change since = |

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| | | | Change since last review = | b) Small dedicated team promoting sound Information Governance within the Council and ensuring that good practice is shared across the Council<br>c) Training and awareness programme put in place and Information Governance modules form part of induction and essential learning programmes.<br>d) Data Protection Officer reports regularly to SMT on IG related matters<br>e) Data Protection Officer attends a number of management team meetings.<br>f) General Data Protection Regulations 2018 implemented.<br>g) SMT oversight of reported data breaches<br>h) All data breaches recorded, investigated and lessons learnt identified<br>i) Detailed report is sent to relevant Director in respect to breaches occurring in their service area<br>j) Directors email all employees that have contributed to a data breach or incident highlighting the potential consequences.<br>k) Information Governance related posters in all main Council buildings<br>l) Staff complete randomly generated questions on data | | | last review |

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| | | | | protection/information security every quarter<br>m) Regular bulletins on information governance related matters published in staff news letter<br>n) Completion of annual Data Security and Protection (DSP) toolkit.<br>o) Annual Governance Statement process encompasses key information governance related matters<br>p) Key elements of information governance and IDT security are audited by an external company. | | | |



| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R7** | Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services. | High without controls<br>Change since last review = | Very High without controls – Environment Financial Service<br>Change since last review = | a) Work collaboratively with other LRF partner agencies, maintaining effective working relationships with the relevant bodies<br>b) Maintain appropriate levels of trained staff to be able to respond to an emergency.<br>c) Maintaining appropriate, risk based contingency plans (Civil Resilience Team) which are reviewed on regular basis<br>d) Gorge – Phase II at Jackfield complete. | Exec Directors / Director of Public Health | **Very low with controls**<br>Change since last review = | **Very High with controls – Service Reputation Finance**<br>Change since last review = |

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| | | | | e) Operation 'Tangent' – multi agency plan to respond to landslide in the Gorge is in place and is reviewed and exercised regularly<br>f) Individual Service Delivery Managers are responsible for maintaining and exercising their Business Continuity Plan. These plans would be coordinated corporately and the emergency plan activated if necessary.<br>g) Provider contract monitoring in place.<br>h) Public health mechanisms in place to manage response to significant incidents.<br>i) Corporate budget contingency of £3.95m available to cover unforeseen costs arising up to Bellwin threshold where relevant. | | | |



| Ref | Risk | Likelihood Without Controls | Impact Without Controls | What are we doing to manage the risk? (Controls) | Lead Executive Director / Director | Likelihood With Controls | Impact With Controls |
|---|---|---|---|---|---|---|---|
| **R8** | Inability to respond to impact of climate emergency on severe weather events including heat, cold and flood. | High without controls<br>Change since last review = | Very High without controls – Environment Reputation Financial | a) Investment in highways capital programme.<br>b) Corporate capital budget specifically for projects that support climate emergency projects is included within capital programme. | A Astley | **Medium with controls**<br>Change since last review = | **High with controls – Environment Reputation Finance**<br>Change since = |

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| | | | Change since last review = | c) Monitor ground stability in the Gorge and water levels.<br>d) Use and testing of flood barriers in Ironbridge<br>e) Working with street scene contractors to monitor impact on public realm.<br>f) Adoption of Climate Emergency Becoming Carbon Neutral action plan which includes a commitment to ensuring that its operation and activities are carbon neutral by 2030.<br>g) Delivering a wide range of schemes to reduce carbon emissions.<br>h) Driving partnership engagement and action on climate change including setting up the Telford and Wrekin Borough Climate Change Partnership<br>i) Addressing biodiversity through actions plans.<br>j) Established the Telford and Wrekin Climate Change Partnership action plan.<br>k) Climate Emergency is at the forefront of the Council's priorities.<br>l) New Council priority defined – 'Our natural environment is protected – we are taking a leading role in addressing the climate emergency<br>m) Strong relationships with key partners including the Environment Agency. | | | last review |

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| | | | | n) Implementation of Climate change Adoption Plan<br>o) Work of the Environment Scrutiny Committee<br>p) Adoption of new Local Plan | | | |

## Risks Removed for Register

| Ref | Risk | Reason for Removal | Date of Removal |
|---|---|---|---|
| | | | |
| R9 | Inability to respond to the impact and implications of Brexit. | This risk is no longer applicable. | 27/1/2022 |
| | | | |

**Document Version Control**

| Version | Date | Author | Sent To | Comments |
|---|---|---|---|---|
| | | | | |
| n/a | 19/1/21 | R Montgomery | SMT | Approval prior to register presented to Audit Committee and Cabinet |
| 2022.2 | 27/1/22 | R Montgomery | SMT | Update of register in respect to additions/changes to mitigating actions and deletion of risk R9 |
| 2022.2.1 | 23/12/22 | R Montgomery | SMT | Update in relation to mitigating actions against each risk. |
| 2023.2.2 | 08/01/24 | R Montgomery | SMT | Includes updates provided by SMT. |

# APPENDIX 15
# ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES: STATEMENT OF THE CHIEF FINANCIAL OFFICER

## BACKGROUND

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

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

**Section 25 of the Local Government Act 2003 requires the authority's Chief Financial Officer to report on the robustness of the estimates and the adequacy of reserves** allowed for in the budget proposals in the budget report, so Members are informed and can consider this when they make their budget decisions.

**Section 114 of the Local Government Finance Act 1988** highlights the Chief Financial Officer's responsibility to report to the external auditor and members if it appears to him that an unbalanced budget is likely to be set for the year. Further, the CFO shall make a report under Section 114 if it appears that the expenditure incurred during a financial year is likely to exceed the resources available to meet that expenditure; or if any unlawful expenditure is planned/takes place.

**Local Government Finance Act 1992** identifies the requirement to set a balanced budget.

**Section 151 of the Local Government Act 1972 - Financial Administration** requires that authorities should appoint a Section 151 Officer to have responsibility for the proper administration of its financial affairs.

**The Accounts and Audit Regulations 2015 – Regulation 4** requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.

**The CIPFA Financial Management Code 2019 -** includes the following standard which should be complied with: "The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves".

**The requirements of the prudential Code must also be complied with** (a separate report on prudential Indicators is included elsewhere in this suite of Medium Term Financial Strategy (MTFS) reports).

**Section 106 of the Local Government Finance Act 1992** makes it a criminal offence for any Member with arrears of Council Tax which have been outstanding for two months or more to attend any meeting of the Council or one of its committees at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears, and will not be voting on the decision for that reason. The Member concerned must then abstain from voting.

**The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014** provide that the Council's procedures must provide for the minutes to record how each Councillor voted (including any abstentions) when determining the Council's budget and the level of Council Tax to be levied

In addition the CIPFA guidance on Local Authority Reserves and Balances requires that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance. This is included as Appendix 6 of this report.

## ROBUSTNESS OF ESTIMATES

### Overview

The Council has faced a very protracted period of severe financial constraint including unprecedented cuts in Government grant in recent years – the reduction in RSG being over 80% between 2013/14 and 2019/20 and with only moderate inflationary increases in subsequent years. Since 2009/10 the Council has made £156.9m of ongoing savings to manage within its reduced resources whilst at the same time facing increasing demands for many service, such as safeguarding vulnerable children and adults. However, during this period, the Council has demonstrated robust budget management.

As outlined in some detail in the MTFS report, there is considerable uncertainty at present over the future of local government finance and what resources may be available to the Council beyond next year, due to the lack of a multi-year local government finance settlement and the postponement of the planned reforms to the local government finance system. Therefore estimates of the Council's financial position beyond 2024/25 are subject to a high degree of uncertainty. However, we need to make the best estimates of the potential position facing the Council that we can in order to assist with medium term financial planning. After the proposed Adult Social Care precept council tax increases in 2024/25 and proposed savings package put forward in this report, the projected budget gap over the following three years (2025/26, 2026/27 and 2027/28) for the Council is currently estimated to be around £14.4m, although this will be regularly updated as and when further information becomes

available. The budget gap, however much it is, will need to be met through a package of savings measures driven by transformation and innovation within the Council as well as some increases in council tax and use of one-off resources in the short-term. The covering MTFS report proposes a package of measures which does not use any of the Budget Strategy or General Fund Balances to balance the budget in 2024/25 with the balance being retained due to the high level of uncertainty in future years. It is, however, now inevitable that some of the budget savings in future will have significant impacts on local people and the Council is committed to consultation and is keen to work with partner organisations to identify alternative options for service delivery. The Council will continue with its approach to budget consultation which will take place throughout the year, rather than only being compressed into a 4 week period which will allow greater focus and interaction with the community and particularly those service users and stakeholders with a strong interest in specific proposals. In parallel the Council is committed to investing in Telford's future and some limited new investments are being made to the highest priorities.

The Council has specifically prioritised Adult Social Care and Children's Safeguarding to reflect the pressures being experienced by these services and the importance placed on them: £7.6m investment in Children's Safeguarding, giving a net budget of over £49m in 2024/25; and investing an additional £5.9m in Adult Social Care in 2024/25, taking its net budget to £68m in 2024/25.

Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough. The significant capital programme which totals over £420m demonstrates this commitment to ***Protect, Care and Invest to Create a Better Borough***. Growth will deliver increased numbers of houses and businesses in the borough which will result in additional council tax, new homes bonus and business rates and whilst some additional costs will arise from a larger population, the net additional income generated will contribute towards helping to reduce the level of cuts needed – subject to periodic resets of the local government finance system.

The financial outlook clearly remains uncertain and challenging and there is an ongoing programme of targeted service reviews and restructuring underway.

**Therefore, overall and given the:**

- **Continued successful delivery of savings which will total £156.9m by the end of this year,**
- **Long-term service redesign, particularly in relation to Adults and Children's services,**
- **More commercial approach to some services being adopted, and the investment being made in the borough,**

**It is considered that the Council is pursuing a sound financial strategy, particularly in the context of the most prolonged and challenging financial position it has ever faced due to the combined long-term effects of Government grant cuts, inflation, and increased service pressures. Further, it is considered that the Council maintains an adequate level of**

**reserves and provisions and has an appropriate medium-term strategy for the use of reserves.**

**The 2024/25 Medium Term Financial Strategy has been informed by:**

**1. Impact Assessments and Risk Management**

We are continuing to develop and deliver savings; some impact on service delivery is inevitable. A commitment has been given to protect delivery of the most essential services for vulnerable children and adults.

Due to the ongoing scale of savings required which will inevitably be more challenging on top of the savings already delivered, the Council will continue with its approach to the development of future savings proposals which allows more time for consultation with stakeholders about options to minimise impacts. Going forward, therefore, proposals will be developed as soon as opportunities arise and capacity allows, rather than concentrating consultation through the 4 week period as part of the annual budget process. This will allow meaningful engagement with our community and partners to develop creative solutions and will mean that the budget engagement process will take place throughout the year as an ongoing dialogue.

It seems inevitable that the level of financial risk will increase both to individual services and the operation of the Council as a whole. Cumulative risk attached to adopting an increasingly commercial approach will also need to be kept under review and key commercial decisions will continue to be subject to development of business cases and Cabinet approval.

A differential approach to savings targets has been taken by Cabinet Members, Executive Directors and Directors within their service areas, rather than an across the board percentage reduction, to recognise the relative demands, risks, opportunities and challenges faced by different Council services.

We have set aside a revenue contingency of £3.95m next year held corporately; in addition a further £10m has been earmarked corporately for inflation and pay awards, a one off contingency of £1.959m is also available for 2024/25 only. As mentioned above, new investment is being made into both Adult Social Care and Children's Safeguarding. Further, an Invest to Save/Capacity Fund and a Partnership Capacity Fund are in place to provide additional resources and to assist with the delivery of savings.

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

risks where possible. The current strategic risk register is included at Appendix 14 of this report

## 2. The Financial Monitoring Process

Financial monitoring provides a regular financial health-check throughout the year and also provides information which feeds into the budget strategy. Financial monitoring follows a risk-based approach with high-value, volatile areas being monitored more closely than low-value, less volatile areas. Regular financial monitoring reports are presented to Senior Management Team and Cabinet during the year which highlight any significant variances and therefore areas of risk. Progress on the delivery of savings will be monitored through this route flagging both 'in year' and future year financial strategy impacts. The reports also monitor the budget contingency and performance against council tax, business rates and sales ledger income collection targets. The Senior Management team may consider significant debts outstanding to the Council and agree actions to obtain payment as quickly as possible.

## 3. The Budget Setting Process

The overall medium term financial planning position of the Council is controlled through a model which is updated during the year as new information becomes available - including current year trends identified through monitoring. At a more detailed level finance officers meet with budget holders and review all budgets on an annual basis on top of the usual monitoring work. Budgets are cash limited. Areas of unavoidable growth and pressures have been identified and scrutinised as part of the budget process along with the deliverability of the savings package which forms an integral part of the overall strategy.

The budget setting process links to both the budget monitoring process, performance monitoring and risk management, discussed above, together with other issues such as meeting new legislative requirements and statutory obligations.

**2024/25 Budget Assumptions and Considerations**:

Given the difficult financial position the Council faces, a tight line has been taken on planning assumptions for next year but this is mitigated by the inclusion of the general revenue contingency of £3.95m, £10m allowance for pay and contract inflation and a one off contingency of £1.959m.

The Council has seen additional demand and increasing costs for many services, including Adult Social Care and Children's Safeguarding. If the 20203/24 final outturn is over budget this will be covered from use of reserves.

Further information can be found in the Financial Monitoring Report also on this agenda.

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| Inflation/Pay Awards | |
| Pay Awards | An allowance of 4.5% for 2024/25, 3% in 2025/26, followed by 2% in the following 2 years. The assumption for teachers pay in 2024/25 is 3%. If the estimates are inaccurate the actual level of pay award will be allocated to service budgets and any adjustment made to the budget model which will either increase or reduce the use of contingencies/ balances/savings requirement. |
| Apprentice Levy | An allowance of 0.5% of the pay bill is included to meet the cost of the Apprentice Levy. Schools will pick up the cost of their element of the levy. |
| Employer's Pension Contribution | The Shropshire Pension Fund had a funding level of 99% at 31 March 2022, the date of the last triennial evaluation undertaken by independent actuaries. Following this and discussion and negotiation with Pension Fund Officers, the employers' rate was set at 17.2% plus a lump sum payment agreed which has been included in budget projections for 2024/25. The next actuarial valuation is 31 March 2025 which will be implemented in April 2026. MTSF projections will be updated when information becomes available. |
| Employer's National Insurance Contribution | There are no changes to National Insurance. The 1.25% Health & Social Care Levy ended in November 2022. |
| Non-Pay budgets | A provision for known contractually committed inflation has been included. No other allowance for non-pay inflation has been made as budgets are cash limited. If inflation rises further this will place pressure on service budgets and the position will be kept under review through regular financial monitoring. |
| Contingency | A general contingency of £3.95m is included for 2024/25 which could be used to supplement provision for inflation/pay awards if necessary. A one-off contingency of £1.959m is also available. |
| Service Pressures | The difficult economic situation including the cost of living emergency has an impact on the community and results in an increase in demand for council services.<br><br>The key service pressures identified for the medium term relate to Adult Social Care and Children's Safeguarding & Family Support. |

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| | Children's Safeguarding & Family Support – financial monitoring shows a projected overspend for this service in year. Safeguarding children from harm and neglect is one of the Council's top priorities and the 2024/25 budget includes additional investment of £7.6m into the service, giving a net budget of just over £49m in 2024/25. A cost improvement strategy is in place which is focussed on reviewing and re-modelling services and finding new and innovative ways of doing more for less (see Appendix 11). The position will be continually monitored and reviewed again as part of the 2025/26 service and financial planning process. The Service has developed a rolling 4 year placement model with the aim to reduce the total number of placements.<br><br>Adult Social Care – the Council has consistently prioritised the protection of vulnerable people and the level of cuts made to the Adult Social Care budgets has been significantly less than other services. In total, the Adult Social Services budget will be increased by £5.9m in 2024/25, taking the total budget to £68m. While we are committed to meeting the assessed needs of vulnerable adults changes will be needed to the way services are provided to deliver savings in future years. An Adult Social Care Continuous Improvement Plan is also in place which focussed on supporting local people to live as independently as they can in their own home, as far as possible (see Appendix 12). |
| Central Government Funding / Local Government Resources Review | The Business Rates Retention Scheme replaced the current system for funding Local Government in April 2013. This allows local authorities to retain 50% of the growth in locally collected business rates (49% for Telford & Wrekin Council and 1% for the Combined Fire Authority). There are opportunities in relation to business rates growth but also risks in terms of reduction in business rate income. The planned review of local government has been deferred until after the next election. However, the Government have said that they are committed to improving the local government finance landscape in the next Parliament. It is also hoped that any new system would have transitional arrangements in place to part-mitigate any immediate financial impact.<br><br>The level of business rates appeals if of a concern, with a significant part of the total rateable value currently under appeal. The Council has made prudent provision to meet the cost of successful appeals which is reviewed annually. |
| Non Domestic Rates Income | The amount included in the budget for business rates in 2024/25 has been based on local information, including |

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| | prudent provision for outstanding appeals. The position will be closely monitored. |
| Council Tax | The Council has proposed a Council Tax increase for 2024/25 of 4.99% which is made up of 2% Government's "Adult Social Care Precept" and 2.99% general increase.<br><br>Confirmation of the referendum limit thresholds for 2024/25 was received in late December and there is no risk of the planned council tax increase being above the threshold set and the Council therefore incurring additional costs of holding a referendum and potential re-billing costs. |
| Council Tax Support – Council Tax Reduction Scheme | The Council is continuing its Local Council Tax Reduction (CTR) Scheme in 2024/25. The CTR scheme is a banded discount scheme with levels of discount awarded depending on family size and weekly income.<br><br>The council tax hardship fund will also continue next year. It is available to award discretionary discounts in cases of extreme financial hardship. Council tax reduction is paid as a council tax discount and there is a greater financial risk than under the Council Tax Benefit System as claimants classed as "non-vulnerable" who previously received 100% benefit will have some council tax to pay. The impact of the CTR has been included in the setting of the council tax base for 2024/25. |
| Interest Rates | The Bank of England increased the base rate in the first half of 2023/24 which reached 5.25% in August; base rate remained at 5.25% in December 2023, an increase of 1.00% since April 2023. This was a measure to control increasing inflation, which started the year at 8.7%, falling to 3.9% in November 2023, then increasing slightly to 4% in December 2023. The interest rate forecast from Link (the council's treasury advisors) is that the base rate will remain at 5.25% until the second half of 2024 to combat on-going inflationary and wage pressures.<br><br>Our investment and borrowing strategies for 2024/25 are set within this context. The interest rate assumption for new borrowing is 4.6% in 24/25, falling to 3.5% in subsequent years.<br><br>Interest rates will be monitored closely and will impact on the in-year treasury surpluses that the Council has benefitted from in recent years as a result of our policy of maintaining relatively high levels of short-term temporary funding as the difference between the temporary rates and the assumption |

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| | for long term rates built in to the budget will be considerably less resulting in reduced in-year surpluses.<br><br>A flexible approach to borrowing will be taken, in consultation with our treasury advisors, consideration will be given to affordability, maturity profile of existing debt, interest rates and refinancing risks as well as borrowing source. Maximum investment levels with counterparties are set to ensure prudent diversification and following strict investment criteria. Full details are included in the Treasury Management Strategy report included in this suite of medium term financial strategy reports. One of the primary objectives is to reduce the Council's exposure to risk while at the same time maximising returns. In the current interest rate environment and with considerable uncertainty on the financial robustness of counterparties, it is more advantageous to reduce investment levels and therefore reduce borrowing requirements. The investment portfolio is monitored on a regular basis and advice is received from independent professional treasury advisors. |
| Treasury Management | The Treasury Strategy for 2024/25 follows the requirements of the CIPFA Prudential Code and Treasury Management Codes of Practice and clearly identifies the various exposures to risk and strategies in place to minimise this. The Audit Committee has a role to review and monitor the Council's treasury management arrangements which includes policies, procedures and the management of risk. The 2024/25 Treasury Strategy was presented to Audit Committee on the 31 January 2024 for their consideration and comments. The Committee will monitor progress during the year. |
| Non-Treasury Investments | The Investment Strategy for 2024/25, included as part of the suite of Medium Term Financial Strategy papers, focuses on non-treasury investments. These investments are made to support local public services and include some investments which deliver council priorities, such as regeneration, provision of high quality homes for rent and a return to the Council. |
| Dedicated Schools Grant (DSG) | The total allocated by the DfE in December 2023 for the 2024/25 Dedicated Schools Grant was £224m (including academies). There are four blocks making up the total DSG figure:<br>• Schools;<br>• High Needs;<br>• Early Years; and<br>• Central School Services. |

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| Schools Block | The largest of these four blocks is Schools, which funds mainstream schools. This has increased by approximately £10m in 2024/25 to £164m. The increase is due to a combination of an increase in funding per pupil (arising from the Government's increase in funding for schools generally) and rising pupil numbers, particularly in Telford & Wrekin's secondary sector |
| High Needs | The next largest block is High Needs at £36.6m. This has increased compared to 2023/24, by around £1.6m - a much smaller increase than the annual increases in recent years of £3m or more. This will further increase the pressure on high needs budgets, arising from increasing demand for high needs support and inflationary pressure on costs. |
| Early Needs | The Early Years block, £22.4m, will be adjusted for actual numbers of early years pupils in 2024 and 2025 and so will be finalised retrospectively in Summer 2025. The 2024/25 allocation is substantially higher than 2023/24 due to the extension in funded provision for children of working parents, to include children from as young as nine months old. There was also a substantial increase in the funding rate for two years old in September 2023, from £5.63 per hour to £7.33 per hour. The full year impact of this, supplemented by more modest increases from April 2024 in the funding rates for two, three and four year olds, contributes towards the increase in the early years block |
| Central School Services | The Central School Services block, £1.1m, was introduced in 2018/19 following the demise of the Education Services Grant (ESG), which ceased in August 2017. Funding for education central services – statutory obligations for local authorities, not discretionary support – has sharply declined in recent years. As an illustration of this, the Education Services Grant for Telford & Wrekin was £2.9m in 2013/14. In addition to the Central School Services Block, representatives of maintained schools on the Schools Forum agreed to de-delegate an additional £0.4m for 2024/25 to cover costs of statutory services that apply only to mainstream schools. Nonetheless, removal of the ESG has led to a significant loss of funding to local authorities. The government also removed the School Improvement & Brokering Grant (worth £0.182m for T&W) in 2023/24, despite leaving local authorities statutory school improvement responsibilities in place for maintained schools. Maintained members of the Schools Forum agreed to de-delegate £0.135m in 2024/25 towards the cost of these statutory duties. |
| Estimates on the level and | The revenue budget and capital programme assume around £14.3m anticipated future capital receipts over the medium |

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| timing of capital receipts | term planning period. Any shortfall or delays in generating expected receipts or in the amounts generated will need to be taken into account in future medium term financial strategies. This could require scaling the capital programme back, re-phasing schemes or entering in to additional prudential borrowing which would necessitate further cuts to services. Delivery of projected receipts is monitored on a monthly basis as part of overall financial monitoring and reported to Cabinet quarterly.<br><br>There is currently a Flexible Use of Capital Receipts Direction in place in relation to Transformation spend up to and including 2029/30. The Council will take advantage of this offer which will result in higher levels of debt (as the capital receipts being used would otherwise have been available to fund planned capital projects). The impact is included in the Medium Term Financial Strategy. |
| Minimum Revenue Provision (MRP) | The policy in relation to MRP is set out in the Treasury Management Strategy Report. The rules around the calculation of the cost of borrowing that must be charged to the revenue account – the minimum revenue provision (MRP) - have been prudently applied in setting the 2024/25 budget strategy.<br><br>The MRP policy is in line with the previous year.<br><br>The MRP methodology adopted increases borrowing in the medium term as less MRP is set aside however by the end of the life of the asset the impact on borrowing is nil.<br><br>Full details of the MRP approach is included in the Treasury Strategy report (also on this agenda).<br><br>DLUHC are currently in the process of making Changes to the capital framework: Minimum Revenue Provision" and have undertaken a consultation and survey to inform their decisions. Further consultation closes 16 February 2024. It is anticipated that proposed changes will come into effect from 2024/25. The Council will comply with legislative requirements and include any related financial implications in future Medium Term Financial Strategies. |
| Prudential Borrowing / Prudential Indicators | The use of prudential borrowing is in line with the capital programmes approved by full Council.<br><br>Prudential Indicators are approved as part of the budget strategy (see separate report on this agenda) and are monitored and reviewed on a regular basis. |

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| Single Status | The Single Status process is in progress with planned implementation in April 2025. An allowance for costs has been built into the budget for 2025/26 of £1.18m ongoing. In addition, one off funding totalling £8.7m is also available to meet any one off costs, although this may not all be required. |
| Savings | The Council has an excellent track record of delivering savings in accordance with agreed plans. Since 2009/10 savings totalling over £156.9m have been delivered and the outturn position has consistently been within budget.<br><br>Additional net savings totalling £15.8m in 2024/25 are proposed, with a further £2m in 2025/26 also being identified. Work will continue to identify additional income and savings to bridge the potential budget shortfalls currently projected for future years.<br><br>There is a capital receipts flexibility to meet severance costs and an invest to save/capacity fund which support the delivery of ongoing savings. |
| Financial Risks inherent in any new funding partnerships, major outsourcing deals or major capital developments | There are a number of major capital projects that have been identified which require careful project management and monitoring during 2024/25 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts and future government funding levels for the Council and its public sector partners. Major capital projects in the medium term strategy include the Housing Investment Programme and the Property Investment Portfolio Growth Fund. |
| The availability of other funds to deal with major calls on contingencies | General reserves or other funds may have to be used temporarily and restored if revenue contingencies, management and policy action is insufficient to deal with a major issue. The Council has evaluated the risks it faces against available balances as outlined earlier in this appendix and concluded that around £20m is available to support the Medium Term Financial Strategy. |
| The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc. | The Council's approach to sustaining its overall sound financial position is covered in a number of sections of this Appendix.<br><br>The overall projected net indebtedness position at 31 December 2023 was £321.1m; net additional prudential borrowing anticipated in 2024/25 is £117.87m, although a significant element of this relates to the Housing Investment Programme and PIP investments which will generate a return greater than the cost of associated debt charges. The total reliance on capital receipts in the medium term strategy is |

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| | £14.3m in line with profiled disposals (additional information is provided in both the Capital Programme and Treasury Management Strategy Reports). The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits, keeping investment exposure low while rates available for new investments are very low.<br><br>The assumed council tax collection rate for 2024/25 is 99.25%. For each 1% not collected the cost is approximately £0.832m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year.<br><br>Cumulative collection rates to date for recent years are<br><br>**2015/16** 99.54%<br>**2016/17** 99.43%<br>**2017/18** 99.35%<br>**2018/19** 99.22%<br>**2019/20** 99.03%<br>**2020/21** 98.94%<br>**2021/22** 98.64%<br>**2022/23** 98.29%<br>**2023/24** 63.35%<br><br>Final recovery rates for all years are normally projected to be over 99.25%.<br><br>Collection rates are regularly monitored and reported to Cabinet. |
| The authority's track record in budget and financial management | The Council continues to demonstrate extremely strong financial management with outturn being very close to the net budget set and no overspends during the previous 14 years:<br><br>• 2009/10 – underspent by £0.332m (0.27% of budget)<br>• 2010/11 – underspent by £0.083m (0.07% of budget)<br>• 2011/12 – underspent by £1.843m (1.42% of budget)<br>• 2012/13 – underspent by £0.055m (0.04% of budget)<br>• 2013/14 – underspent by £0.099m (0.07% of budget)<br>• 2014/15 – underspent by £1.145m (0.89% of budget)<br>• 2015/16 – underspent by £0.121m (0.10% of budget)<br>• 2016/17 – underspent by £0.167m (0.14% of budget)<br>• 2017/18 – underspent by £0.150m (0.12% of budget)<br>• 2018/19 – underspent by £0.275m (0.23% of budget)<br>• 2019/20 – underspent by £0.146m (0.12% of budget)<br>• 2020/21 – underspent by £0.039m (0.03% of budget)<br>• 2021/22 – underspent by £0.048m (0.04% of budget)<br>• 2022/23 - underspent by £0.012m (0.01% of budget) |

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| | This demonstrates an outstanding track record of continuous strong financial management, despite considerable pressure on service budgets, notably Adult Social Care and Children's Safeguarding and an unprecedented protracted period of significant cuts to Government funding. |
| Virement | Virement is an important feature of budgetary control. It provides flexibility to adapt expenditure patterns to meet changing needs and objectives, consistent with Council policy.<br><br>No Director or Service Delivery Manger should plan to overspend. All expenditure should be consistent with approved service priorities and the overall approved budget. |
| The adequacy of the authority's insurance arrangements to cover major unforeseen risks | The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self-insure". The Council use the services of an external insurance advisor to provide additional expertise in managing insurance arrangements.<br><br>The Council has a strategic risk register (Appendix 14 of this report) which is used to identify the substantive issues which may impact negatively on the delivery of the Council's priorities and may also have a financial impact. This is regularly reviewed by Senior Management Team and Service Areas to manage risks and mitigate potential exposures. |

These assumptions are reviewed on at least an annual basis.

## Reserves & Balances Policy

### Introduction

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

### Types of Reserves and Balances

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

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

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

Some of the most commonly established earmarked reserves are:

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

### Level of Reserves and Balances

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

Reserves and balances are only maintained in accordance with the assessment of need undertaken by the Service and Financial Planning Group (which includes all Executive Directors) with SMT and Cabinet Members and are used

in a planned way. Therefore the opportunity cost of maintaining the determined levels is kept to a minimum while interest is earned on the retained amount.

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

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

Consideration is given to the key financial risks and mitigation available to determine the resources available over the medium term to support the Council's budget.

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

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

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

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

**Appendix 16: Council Tax Reduction Scheme 2024/25**
**Council Tax Reduction Scheme**

The Government announced as part of the Spending Review in 2010, that it would localise support for Council Tax from 2013/14. Councils were required to establish local Council Tax Reduction schemes (CTRS) to be implemented on 1 April 2013. CTRS was referred to locally as Council Tax Support (CTS) and more recently as Council Tax Reduction (CTR).

The Council currently provides Council Tax Reduction (CTR) to around 13,494 claimants, of which 8,142 are of working age. Residents who are of state pension age (a minimum 66 years of age for both men and women) are protected under the Government scheme, in that the calculation of the support they receive is set by Central Government. For working age applicants however, the Council Tax Reduction they receive is determined by the Local Authority.

We last consulted on our Council Tax Reduction Scheme in the autumn of 2019. The new scheme for 2020/21 saw a move to an income-based grid scheme (also commonly referred to as a banded scheme). The scheme aimed to rebalance the distribution of the available funding to ensure that the most financially deprived customers received a greater level of support than the previous scheme allowed. The scheme was approved at the Full Council meeting of 23 January 2020 - minute 57 (d) (a) (Council Tax Support Scheme). The scheme is approved each year and for 2023/24 the scheme was approved at the meeting of 2 March 2023 – minute 259 paragraph k.

The three main drivers for making the changes to our local scheme from April 2020 were:

- The need to redistribute the funding available so that the most financially deprived receive the help they need.
- The introduction of Full-Service Universal Credit in the borough from November 2018.
- The need to simplify the scheme so customers are able to understand it.

Analysis of Council Tax collection figures for working age CTR customers from April 2020 has shown that the changes to the scheme have not adversely affected our CTR customers and suggests that the scheme has redistributed more help to the most financially vulnerable residents, with collection rates being higher than prior to the change in scheme, except for 2020 during the Covid-19 pandemic when recovery was put on hold.

Although collection rates remain higher when comparing this scheme with the previous one, there has been a fall in collection compared with this time last year. The Council Tax collection figure for working age CTR customers at the end of November 2023 was 53.28%. This is 3.23% less than the same point in 2022. This is despite the £100 extra Council Tax liability discount that was awarded to CTR customers. This additional discount was provided using funding from the Department for Levelling Up, Housing and Communities (DLUHC) Council Tax Support Fund for 2023/24 (which provided funding to reduce CTR customer's liability by £25) and from additional funding provided by the Council. The cost-of-living crisis has continued to impact on resident's finances in 2023/24. Analysis of collection figures will continue to ensure that the working age Council Tax Reduction scheme targets help to those who require it most.

The Council Tax Reduction Hardship Assistance policy has continued to provide extra support to those residents in receipt of CTR or Universal Credit who need additional financial help.

As there have been no major changes in Government Policy we are not proposing any local changes to the scheme for 2024/25 except for the up-rating of amounts within the income grid. The scheme will take effect from 1 April 2024 and is attached as Annex I.

A full Equality Impact Assessment of the proposed scheme for 2020/21 was undertaken and has been refreshed for 2024/25.

**Council Tax Reduction Hardship Scheme**

Since 2013 a Council Tax Reduction Hardship Assistance fund has been approved each year by Cabinet which has been invaluable in providing additional support to the most financially vulnerable customers. Within the budget strategy for 2024/25 funding has been identified for the scheme to continue, allowing for additional tailored financial support.

The Council Tax Reduction Hardship Assistance Policy is attached as Annex II.

**Review of the Scheme**

The Council will continue to monitor the impact of the changes to the CTR scheme from April 2020 via Council Tax collection figures and the CTR Hardship applications received. Although the policy has to be considered by Full Council every 12 months it is our intention that the scheme will remain unchanged unless there are technical changes required, or there are any unexpected and unintended consequences resulting from the changes to the proposed new scheme.

## Appendices

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| Annex I - | Council Tax Reduction Scheme Policy for 2024/25 under S13A (1) (a) and Schedule 1a of the Local Government Finance Act 1992 can be downloaded at www.telford.gov.uk/CTR202425 |
| Annex II - | Council Tax Reduction Hardship Assistance Policy from April 2024. |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Telford & Wrekin Council

## Council Tax Reduction Hardship Assistance Policy

### ANNEX II

## Effective from 1 April 2024

## 1. Introduction and aim of policy

This policy applies to all applications for Council Tax Reduction Hardship Assistance (CTRHA).

From 1 April 2013 Council Tax Benefit was abolished and replaced by local schemes designed individually by Local Authorities. From 1 April 2020, the Telford & Wrekin scheme will be called Council Tax Reduction.

As part of this Council's Council Tax Reduction scheme a cash limited fund is available to provide Council Tax Reduction Hardship Assistance to aid and assist the most impoverished individuals and families.

The aim of the policy is to ensure that the funding is used in the most appropriate way to provide additional financial assistance with their Council Tax liability to the most vulnerable customers who, without it, are likely to experience financial hardship and increased levels of unmanageable debt.

We have a duty to act fairly, reasonably and consistently. This policy gives the outline of when a CTRHA award will and will not be granted.

## 2. Operation of the scheme

Procedural requirements dictate that, in every case, the applicant must complete the appropriate CTRHA application form giving details of income and expenditure to show that they require further help with their Council Tax costs. When an applicant has difficulty completing the application then assistance will either be given over the telephone, at an office based appointment or through a home visit.

The Council will use any other available information, including information collected on any Housing Benefit, Council Tax Reduction or Universal Credit award details when considering the claim for CTRHA. However, the applicant should provide such available evidence as necessary in support of their claim, for example, a letter from a doctor, evidence of necessary exceptional expenditure, etc. We may request further evidence in support of the application.

A decision maker will speak with the applicant where it is deemed the applicant will benefit from further advice or additional information is required. This may be during a home visit, office interview or via telephone. The purpose of this conversation will be to give the applicant the opportunity to discuss fully their reasons for their application and will allow for the decision maker to consider income, expenditure and family circumstances. This method of approach has two distinct advantages;

- It enables us to gather as much information as possible to assist with the final decision making process. In doing so it will identify possible entitlement to other welfare benefits or services which the applicant is entitled to which may improve their financial situation.

- It will enable the officer to identify areas and recommend steps that the applicant can take to improve and alleviate their hardship immediately or during the award.

In both the above scenarios a successful award of another benefit, or action that the customer can take themselves, should help improve their financial situation and will reduce or negate the need for a CTRHA award meaning that extremely limited funds available within the scheme can be diverted to other cases of hardship.

There may be occasions where it may be deemed unnecessary to speak with the applicant including where there is a short term need because a known change, such as the award of an age-related benefit or change in household, will end the need for assistance or where another officer of the Council e.g. social worker or partner organisation e.g. Citizens Advice is providing support and advice to the applicant.

The amount and duration of the award is at the discretion of officers from the Benefits Service with delegated responsibility for this function. However an applicant cannot receive a greater amount of CTRHA award than the shortfall in the daily Council Tax liability after taking into account any Council Tax Reduction entitlement. The exception to this is one off lump sum costs to clear previous year debts where the amount of shortfall does not determine the amount of the lump sum payment.

The expenditure on CTRHA will be monitored closely. Each month, expenditure will be reported within the Welfare Services monthly update.

## 3. Factors to Consider

**Conditions that must be met for Council Tax Reduction Hardship Assistance**

For a CTRHA award to be considered the applicant must:-

- Be entitled to Council Tax Reduction, or would have been entitled if they were not subject to the Governments Benefit Cap (£384.62 per week for couples and/or families, £257.69 per week for single customers); or was entitled to Council Tax Reduction in 2019/20 but changes to the scheme from April 2020 have resulted in no entitlement; or is entitled to Universal Credit;
- Have a Council Tax liability; and
- Require further assistance with the shortfall between the daily amount of Council Tax charged and the daily amount of Council Tax Reduction they are entitled to.

**Council Tax Reduction Hardship Fund cannot pay for the following;**

- Clearing Council Tax balances caused as a result of a fraudulently claimed discount or exemption
- Council Tax penalties, sanctions, or suspensions;
- Charges incurred as a result of action taken to recover overdue Council Tax, such as liability orders, court costs, fines etc.

The Council recognises that changes to the Council Tax Reduction Scheme from April 2020, in particular the removal of the protected scheme, will have an impact on residents and there will be a need to provide some residents with additional financial assistance whilst they adjust their finances.

Consideration will be given to applications from ex-armed Forces Personnel, as part of the Council's commitment to the Armed Forces Covenant, where additional help is likely to increase the chance that they will be able to sustain a stable and secure home.

Whilst *all* income is usually taken into account when calculating entitlement to Council Tax Reduction Hardship Assistance War Disablement and War Widows / Widowers Pensions will not be included within the calculation of household income in recognition of the special circumstances that the payment is made under.

## 4. Decision Making

Whilst recognising the need for individual consideration of the circumstances of each case, consistency is also important. Each case needs to be looked at on its own merits and all customers need to be treated equitably and fairly when the scheme is administered. We therefore need to consider in each case:

- If the applicant is entitled to any other welfare benefits that they are not currently claiming.
- If the applicant is entitled to any other Council Tax exemptions that could reduce the amount of their liability e.g. Disabled Band Relief.
- The financial, medical or social needs and circumstances of the applicant, their partner and any other persons in the household.
- The income and expenditure of the applicant and other members of the applicant's household.
- The amount of any savings and capital held by the applicant and other members of the applicant's household.
- Any exceptional circumstances such as, the ill health or disability of the applicant or a member of the applicant's household. Examples include the need for an extra room because of a health problem affecting a member of the household, a requirement for the household to live where they do because of the need for access to medical or support services, specific extra health-related expenses such as non-prescription medicine and the nature of a health problem means the choice of housing is restricted either temporarily or permanently.
- The level of debt of the applicant and family and options to re-negotiate non-priority debts.
- The possible impact of not making such an award, e.g. the addition of further costs, or inability to meet other demands
- The probable consequences of council tax arrears for the applicant or family members, especially if any of them are vulnerable by reason of age, sickness or disability.
- Any other special circumstances

**Examples of the kind of situations where further help <u>may</u> be given include:**

- Where there has been a significant change in the applicants and/or family circumstances which means the Council Tax charge is no longer affordable.
- Where there are significant debt issues.
- An unexpected crisis that has had an impact on finances.

- Where a change in the annual Council Tax Scheme has resulted in a reduction in entitlement and the applicant needs a period of time to adjust their finances to be able to afford their liability.

**These are only examples - the list is neither exhaustive nor prescriptive**

The decision maker will not normally award CTRHA in cases where the applicant has demonstrated they have sufficient surplus income or capital to be able to meet their Council Tax liability themselves.

The authorised decision maker decides how much to award based on all the circumstances. This may be any amount up to the difference between the weekly Council Tax liability and Council Tax Reduction entitled to.

## 5. Period of award

The duration and level of CTRHA award will be determined individually for each customer by the decision maker. CTRHA awards are only intended to be short term awards due to the limited fund available. It is not intended that the fund will be a long-term solution to changes in the Council Tax Reduction Scheme. In determining the period of award, examples are given below of the types of factors that may be appropriate for consideration;

- To allow a reasonable timeframe for the applicant to take steps to ease their financial hardship for example the date a contract for non-essential expenditure ends or to allow time for a debt re-payment plan to be entered into.
- If there is a known change e.g. when a debt is due to be paid off, or when a claim for another welfare benefit is likely to be decided.
- If there is a known change to the household and when that is likely to happen.

Where possible we aim for a decision to be made within 14 days of receipt of all relevant information. If the claim is successful, CTRHA awards will be made direct to the relevant Council Tax account.

The amount of any CTRHA award is entirely at the discretion of the delegated officers from the Benefit Service. A successful claim **does not** imply that a further award will be made at a later date, even if the applicant's circumstances have not changed.

The start date of a CTRHA award will usually be the most appropriate of:

• The day the Council receives the relevant claim; or
• The day of a relevant change in circumstances giving rise to the need for the CTRHA award.

However the decision maker may decide that a different date is appropriate based on the particular circumstances of the claim. Due to the expected pressure on the CTRHA fund, a claim will not usually be backdated more than 3 months although, where someone is at risk, then backdated awards may be made which cover the period of Council Tax arrears. In such cases, some Council Tax Reduction must

have been in payment for the period concerned or would have been in payment had it not been for the changes to the Council Tax Reduction Scheme from April 2020.

Claims may be made in advance of a change in legislation.

Most awards will be short term awards, typically not more than 4-6 months, however the length may vary depending on the customer's circumstances.

When CTRHA period comes to an end, if a customer wishes to reapply they will usually be required to complete a further application or review form to renew their award. It may be possible to extend an existing CTRHA period for up to eight weeks if the customer has confirmed their circumstances have not changed but whose circumstances are likely to change within the next eight weeks e.g. have been offered a job, moving house, a known change in income etc.

Where a customer has not taken steps to ease their own financial circumstances, for example;

- they have not taken steps to apply for additional income that may be available; or
- have not reduced or have increased non-essential expenditure;

then further applications are likely to be refused. A further award may be made if there is a commitment from the applicant they will take steps to ease their financial circumstances. If, after two periods of award, the customer has not taken the advice given in previous awards it is unlikely that a future award will be made.

A previous successful award does not guarantee that subsequent awards will be granted.

## 6. Notification

The Benefits Service will notify the customer of the outcome of their application within 3 working days of making the decision.

Where the application is successful, the notification will advise:

- the amount of CTRHA award granted, if any
- the period of the award
- the requirement to report any relevant change
- recommendations of the steps that the applicant may take during the period of the award to resolve or improve their personal situation

Where the application is unsuccessful, the notification will state clearly the reasons for the decision.

All notifications of decisions on claims shall offer the opportunity for the customer to seek a review of the decision made.

## 7. Changes in circumstances

It remains the duty of the applicant to notify the Benefit Service of any change in circumstance that may be relevant to the continuation of their CTRHA award.

A CTRHA award may be revised where the applicant's circumstances have changed. Incorrect awards of CTRHA can be recovered where the payment has been made as a result of a misrepresentation or failure to disclose a material fact or as a result of an error. The Council will normally recover a CTRHA award where the applicant's own actions contributed towards the overpayment and recovery of the award would enable us to reallocate those sums within the current financial year. However, we will consider the circumstances of each overpayment on its merits, being mindful of the impact that recovery may have on the ongoing financial vulnerability of the applicant.

Incorrect CTRHA awards may be recovered via the person's Council Tax account.

**Fraudulent claims**

The Benefit Service is committed to the fight against fraud. Any applicant who tries to fraudulently claim a CTRHA by providing a false statement or evidence in support of their application may be liable for prosecution.

## 8. Officer Roles

**Decision Maker** (Discretionary Awards Officer or equivalent) – will where appropriate speak with the applicant, either over the phone, in the applicant's home or arrange an office based meeting. They will consider all the information available to them and calculate whether the customer can afford the shortfall between their Council Tax Reduction and their Council Tax liability. The decision maker will also give advice on how the customer can ease their own financial circumstances.

The Decision Maker will decide whether to make an award and the length of any award. They will write to the applicant detailing their decision.

The Service Delivery Manager with responsibility for Benefit and Welfare Services has the authority to delegate decision making powers to another suitably experienced officer if there should be a need.

**Appeal Officer** – any appeals received will be decided by the Quality Assurance and Appeals Team.

The Service Delivery Manager has the authority to delegate this function to another suitably experienced officer.

## 9. Appeals

CTRHA are not payments of Housing Benefit or Council Tax Reduction and are therefore not subject to the statutory appeals mechanism, although the route of

Judicial Review is available. The Benefits Service will operate the following policy for dealing with appeals against any decision on a claim: –

- An applicant, or person acting on their behalf, may request a review of the decision. A request for a review shall be made in writing and must be delivered to the council by any method which is acceptable for a CTRHA claim. Any request for a review must be made within one calendar month of the customer being notified of the decision.
- The decision will be reviewed internally by the Quality Assurance and Appeals Team, who will not have been responsible for the original decision, and they will issue their written decision.
- Where the designated Officer carrying out the internal review decides not to revise the original decision, they will notify the appellant of the outcome of the review, setting out the reasons for confirming the original decision.
- In exceptional circumstances only, officers may extend the time limit for a review to be requested.

## 10. Publicity

The Benefits Service will seek the co-operation of all teams within the Council, landlords and voluntary sector organisations to ensure publicity is suitably targeted to ensure it is those who are most in need that apply for the extra assistance.

Telford & Wrekin
Co-operative Council

Protect, care and invest
to create a better borough

# Draft
# Pay Policy Statement
## 2024/25

# Pay Policy Statement 2024/25

## 1. Introduction and Purpose

1.1 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'Statement') sets out the Council's approach to pay policy in accordance with the requirements of section 38 of the Localism Act 2011.

1.2 The purpose of this Statement is to provide transparency about the Council's approach to setting the pay of its employees (excluding those working in local authority schools and/or employed under the School Teachers' Pay and Conditions Document and apprentices as they are employed under a Training Contract) by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff, i.e. 'chief officers', as defined by the relevant legislation; and
- the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

1.3 This policy statement has been updated and is effective from 1st April 2024.

## 2. Legislative Framework

2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Employment Rights Act 1996, the Equality Act 2010, the Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, the Agency Workers Regulations 2010, the Restriction of Public Sector Exit Payments Regulations 2020 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council is taking steps to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

## 3. Pay Structure

3.1 Based on the application of the job evaluation process, the Council uses the Local Government Association nationally negotiated pay spines as the basis for its local grading structure. This determines the salaries of the large majority of the non school-based workforce, together with the use of other nationally-defined rates where relevant.

3.2 The Council adheres to national pay bargaining in respect of the national pay spines noted below and any annual cost of living increases negotiated in those pay spines:-

Joint National Council for Chief Executives

Joint National Council for Chief Officers

Joint Negotiating Committee for Youth & Community Workers

National Joint Council for Local Government Services

Soulbury Committee

3.3 All other pay-related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

3.4 New appointments will normally be made at the minimum of the relevant grade; this can be varied in exceptional circumstances, having regard to the need for equal pay. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

3.5 The Council pays a minimum of the 'Real Living Wage' to employees. This will be £12.00 per hour with effect from 1st April 2024 (This does not include those on apprenticeships who are employed under a training contract).

## 4. Senior Management Remuneration

4.1 For the purposes of this Statement, senior management means 'chief officers' as defined within s43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2023.

a) Chief Executive
The substantive salary of this post is £169,302 per annum. This is a single 'spot' salary and has no incremental range. The post holder is designated as Head of Paid Service. No supplement is payable for Returning Officer duties for local elections (borough and parish).

b) Executive Directors
The salaries of the posts designated as Executive Directors have four incremental points ranging from £127,551 to £136,920 per annum. Access to incremental points being subject to satisfactory performance review. This will include the satisfactory

achievement of targets. Targets are set by the Chief Executive in consultation with the Leader.

The Chief Executive, after consultation with the Leader of the Council, may vary the grade point for individual Executive Directors in exceptional circumstances. For newly appointed Executive Directors an annual salary below scale point 1 may be offered in appropriate circumstances. Transition to the Executive Director scale will be subject to satisfactory performance.

c) Directors

The salaries of the posts designated as Directors have four incremental points ranging from £98,165 to £107,775 per annum. Access to incremental points being subject to satisfactory performance review. This will include the satisfactory achievement of targets set by the Executive Directors and Chief Executive. Targets are set in consultation with the Leader.

The Chief Executive, after consultation with the Leader of the Council may vary the grade point for individual Directors in exceptional circumstances. For newly appointed Directors an annual salary below scale point 1 may be offered in the appropriate circumstances. Transition to Director scale will be subject to satisfactory performance.

## 5. Recruitment of Chief Officers

5.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules in Part 3 of the Constitution. When recruiting to all posts the Council will take full and proper account of its Equal Opportunities Charter and the Recruitment and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

5.2 Where the Council remains unable to recruit chief officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and engage individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any chief officers engaged under such arrangements.

## 6. Additions to Salary of Chief Officers

6.1 The Council does not apply any bonuses to chief officers.

6.2 In addition to the basic salary set out, the Council may pay other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties which could include:

- responsibility allowances/salary supplements for fulfilling statutory officer duties and salary supplements,
- market forces supplements,
- additional payments for undertaking other responsibilities.

This list is not exhaustive.

Authority for any 'additional pay' for Executive Directors and Directors is delegated to the Head of Paid Service after consultation with the Leader of the Council.

The following market forces supplement are currently payable:

| Post | Amount per annum |
|---|---|
| Executive Director: Children's Services | £9,972.24 |
| Director: Adult Social Care | £5,388.75 |

All mileage is reimbursed at HMRC rates.

## 7. Payments on Termination

7.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers will be in accordance with contractual and statutory requirements

1.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall, in respect of the Head of Paid Service, Executive Directors and Statutory Officers, be subject to a decision made by the Personnel Committee which has otherwise delegated authority to the Head of Paid Service to approve such payments to other Chief Officers.

7.3 The Council's policy is not to re-employ, for a period of at least 12 months after their employment with Telford & Wrekin Council ends. This relates to anyone who has been made redundant or who has left the Council in the interest of the efficiency of service where a severance payment has been made in accordance with the Council's policy. The re-engagement of an individual on a consultancy, agency or private service provider basis is also prohibited in circumstances where this arrangement could have reasonably been foreseen at the time the individual left.

7.4 Flexible retirement under Regulation 30 of the Local Government Pension Scheme Regulations 2013 or Regulation 11 (2) of the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 will, in the

majority of cases be permitted only where savings to fund the cost of such release are achieved. However in exceptional circumstances and in order to retain specialist or critical skills, flexible retirement may be approved to support a period of succession planning/training in which case savings may not be realised to fund the release.

## 8. Publication

8.1 This Pay Policy Statement is published on the Council's Website. In addition, for members of the Council's Senior Management Team and for those who report directly to the Head of Paid Service where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to or receivable in the current and previous year;
- any bonuses paid or receivable in the current and previous year (N.B. The Council does not operate a bonus system);
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination of employment;
- employers pension contribution;
- any benefits received that do not fall within the above.

8.2 This information will be listed individually by job title where the salary is £50,000 or more. Persons whose salary is £150,000 or more will be identified by name.

8.3 Additional information relating to pay is published in accordance with the MHCLG Local Government Transparency Code 2015 and is available on the Council's website as part of its annual Workforce Information report.

## 9. Lowest Paid Employees and the Median Salary

9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full-time (37 hours per week) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure with the exception of employees who have transferred in to the Council's employment under the Transfer of Undertakings (Protection of Employment) Regulations 2016. As at 30 November 2023, this was £22,366 per annum. The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under a Training Contract.

9.2 The statutory guidance under the Localism Act 2011 recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton review was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no

public sector manager can earn more than 20 times the lowest paid person in the organisation.

9.3 The pay levels within the Council as at 30 November 2023 define the multiple between the lowest paid (full time equivalent) employee and the Head of Paid Service as 1:7.6 and between the lowest paid employee and average Chief Officer as 1:5 The Council's pay multiples therefore fall well below Lord Hutton's public sector threshold set out in 9.2 above.

9.4 The full-time equivalent median (mid-point) pay level within the Council as at 30 November 2023 was £28,282 per annum (£14.66 per hour). The multiple between the Head of Paid Service and this median point was 1:6 and the average Chief Officer is 1:4.

9.5 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

## 10. Accountability and Decision Making

10.1 In accordance with the Constitution of the Council, the Personnel Committee is responsible for decision-making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council Report

## 29 February 2024

## 2024/25 Capital Strategy

| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources. |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Pauline Harris, Corporate Finance Manager |
| **Officer Contact Details:** | **Tel:** 01952 383701 **Email:** pauline.harris@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | 17 January 2024 |
| **Report considered by:** | SMT - 16 January 2024<br>Business Briefing - 25 January 2024<br>Cabinet - 15 February 2024<br>Full Council – 29 February 2024 |

### 1.0 Recommendations for Decision/Noting

It is recommended that full Council approves:

1.1 the Capital Strategy for 2024/25

### 2.0 Purpose of Report

2.1 The aim of the strategy is to give an overview of the long-term context in which capital expenditure and investment to highlight the consideration given to risks and rewards as well as the achievement of Council priorities.

### 3.0 Background

3.1 The Capital Strategy is a requirement of the Prudential Code for Capital Finance in Local Authorities.

3.2 The Capital Strategy forms part of the suite of Medium Term Financial Strategy Reports to be approved by Council. The strategy aims to provide an overview of total investments and borrowing undertaken by the Council, providing context and showing how these meet the Council's overall objectives.

## 4.0 Summary of main proposals

4.1 The detailed capital strategy is attached at Appendix A.

## 5.0 Alternative Options

5.1 Not Applicable.

## 6.0 Key Risks

6.1 Risks and opportunities are considered in the Strategy.

## 7.0 Council Priorities

7.1 Delivery of all priorities depend on the effective use of available resources.

## 8.0 Financial Implications

8.1 The financial implications arising from the Capital Strategy are included in the Medium Term Financial Strategy 2024/25 – 2027/28.

## 9.0 Legal and HR Implications

9.1 The Capital Strategy is required to meet the requirements of the Prudential Code for Capital Finance and should be seen as one part of the wider budget setting process.

## 10.0 Ward Implications

10.1 Borough Wide

## 11.0 Health, Social and Economic Implications

11.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 12.0 Equality and Diversity Implications

12.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 13.0 Climate Change and Environmental Implications

13.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 14.0 Background Papers

1 2024/25 Treasury Strategy
2 2024/25 Prudential Indicator Report
3 2024/25 Investment Strategy
4 Medium Term Financial Strategy

## 15.0 Appendices

Appendix A Capital Strategy

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Director | 16/01/2024 | 16/01/2024 | MLB |
| Finance | 16/01/2024 | 16/01/2024 | PH |
| Legal | 23/01/2024 | 23/01/2024 | RP |

**APPENDIX A**

# CAPITAL STRATEGY OVERVIEW – 2024/25

## 1.0 INTRODUCTION

1.1 The Prudential Code for Capital Finance in Local Authorities includes the requirement for authorities to produce a Capital Strategy. The aim of the Capital Strategy is to give an overview of the long-term context in which capital expenditure and investment decisions are made, showing their contribution to the achievement of priority outcomes for the community and to highlight that due consideration is given to both risk and reward together. To do this, the Capital Strategy brings together information from a number of key areas which form its structure, with the clear acknowledgement that investments can be made for policy reasons outside of Treasury Management:

**The strategy is structured as follows:-**

| |
|---|
| Strategic Overview |
| Balance Sheet Position |
| Capital Expenditure & Financing |
| Debt. Borrowing and Treasury Management |
| Investments for Service Purpose Including Those with some Commercial Benefits |
| Other Long-Term Liabilities |
| Revenue Budget Implications |
| Knowledge & Skills |
| Chief Financial Officer Comment |

We have sought to write the Strategy in an accessible style to assist understanding of some technical issues.

Decisions made this year on capital and treasury management will have financial consequences for the Authority.

1.2 The Capital Strategy forms part of the Council's suite of Service & Financial Planning Strategy Reports to be approved by Council prior to the start of the financial year:

CAPITAL STRATEGY:

(Intended as a "Brief Overview Report" for the capital and treasury management related service & financial planning reports).

| Detailed Capital & Treasury Management Reports | | | |
|---|---|---|---|
| **Capital Programme** | **Treasury Strategy** | **Prudential Indicators** | **Investment Strategy** |
| • Capital Expenditure<br>• Capital Financing<br>• Asset Management Plan<br>• Highways & Transport Capital Programme | • Economic & Interest rate forecasts<br>• Treasury Investment Strategy<br>• Treasury Borrowing Strategy<br>• MRP Statement | • Setting Indicators required under the Prudential Code for Capital Finance | • Service Investments with some commercial benefits |

## 2.0 STRATEGIC OVERVIEW

2.1 As a progressive Council, we will work with our communities to deliver a Programme:

***"to Protect, Care and Invest to create a better borough"***

**To drive delivery of its commitments and ambition, the Council Plan sets out a borough vision with 5 priorities:**

- **Every child, young person and adult lives well in their community**
- **Everyone benefits from a thriving economy**
- **All neighbourhoods are a great place to live**
- **Our national environment is protected, we take a leading role in addressing the climate emergency**
- **A Community-focussed, innovative council providing efficient, effective and quality services**

2.2 Being a Cooperative Council the Council is committed to listening to and involving residents in developing our plans to protect, care and invest to create a better borough. From the ongoing engagement with local people over many years, we are clear that people and their families have some fundamental priorities which we as a council will work with them to achieve. We know that the people in Telford & Wrekin want to live:

- In a Safe Community
- In a Clean Environment
- In a Place with good roads and pavements
- Where there are first class schools and education facilities
- Where there are excellent and accessible Hospital, GP and other Health and Care Services
- Where they have a job and there is a thriving economy

We will work together with the community and partners to collectively deliver the best we can for Telford & Wrekin with the combined resources we have.

2.3 In the short to medium term, Telford & Wrekin Council continues to be in a period of significant challenge and uncertainty due to :

- The escalating costs of, and demand for, many Council services but particularly Adult Social Care and safeguarding vulnerable children

- National and international economic pressures resulting in an extremely challenging financial outlook for U.K. public services

- The Government's one-year provisional local government finance settlement not extending beyond the end of March 2025

- The impact of the significant potential changes to the local government finance system which have now been discussed by the Government for many years remain a major uncertainty. As does the potential impact of Adult Social Care funding reforms which have been delayed until October 2025.

The Council has faced the challenge of making significant savings, totalling £156.9m since 2010 whilst trying to protect front-line services as far as possible.

Our Medium Term Financial Strategy sets out our response to this challenge and how these savings are being identified and delivered.

Despite the financial challenges, Telford & Wrekin Council has a clear investment programme and will continue to prudently invest to create jobs and safeguard the future prosperity of the Borough and its residents.

| | |
|---|---|
| Proposed Medium Term Financial Strategy 2024/25 to 2027/28<br>Agenda Item 8<br>Final Medium Term Financial Strategy – Full Council 29 February 2024<br>Including: Revenue Budget Strategy; Capital Strategy; Capital Programme; Treasury Strategy; Prudential Indicators | Agenda for Cabinet on Thursday 4 January 2024, 10.00 am - Telford & Wrekin Council |

2.4 Capital investment clearly plays a key role in the achievement of our local priorities. Through our Capital Strategy we seek to maximise the value and opportunities of our assets to take forward the delivery of emerging strategic priorities whilst being mindful of stewardship, prudence, sustainability and affordability.

2.5 Our Capital Strategy is not, however, just about 'concrete, tarmac, buildings etc.', it is about making a positive difference to the quality of local people's lives through specific projects, services, technology and facilities. In recent years, key initiatives have been progressed/delivered through targeted capital investment. Further information can be found in the Council Plan.

| | |
|---|---|
| Council Plan | Introduction - Council Plan and priorities - Telford & Wrekin Council |

2.6 Reducing dependency on Government Grants is an essential part of our financial strategy and we have actively sought out opportunities that primarily deliver service objectives but also have some commercial benefits to achieve this. While debt repayments represent a long term commitment against the revenue budget, there are some "good" capital investments which can fund assets which will increase in value over the longer term and generate a revenue return greater than the cost of the associated debt charges. Invest-to-Save schemes such as the solar farm or the Housing Investment Programme and investment in the Property Investment Portfolio represent "good capital investment" as not only do they deliver environmental, social and economic benefits but they also earn a surplus which can be used to help protect front line services as the surplus generated helps to reduce the impact on the revenue budget of Government cuts to our grants. The Council will, however, carefully assess each potential new investment through a proper due diligence and business case process to ensure that it does not expose the Council to an unacceptable level of risk either on an individual basis or when considering the entire investment portfolio of the Council. The Council will not borrow to invest primarily for financial return.

## 3.0 BALANCE SHEET POSITION

3.1 An extract from the Council's draft balance sheet 31 March 2023 is shown below

| | £m |
|---|---|
| **Long Term Assets** | |
| Property, Plant & Equipment | 644.750 |
| Investment Properties (Property Investment Portfolio) | 139.393 |
| Intangible Assets | 1.305 |
| Long Term Investments (Nuplace Equity) | 18.800 |
| Long Term Debtors (of which the loan to Nuplace is £44.832m) | 45.420 |
| **Total Long Term Assets** | **849.668** |
| | |
| **Investments** | |

| | |
|---|---|
| Short Term Investments – call accounts/bank account | 38.499 |
| Short Term Investments – cash | 0.121 |
| **Total Investments** | **38.620** |

| **Borrowing** | |
|---|---|
| Long-Term Borrowing | 240.013 |
| Short-Term Borrowing | 107.209 |
| **Total Borrowing** | **347.222** |

Total borrowing at 31 March 2023 was £347m which was an increase of £64m compared to 31 March 2022 relating to the funding the approved capital programme. It is evident from the balance sheet that the value of long-term assets outweighed the total borrowing at 31 March 2023.

## 4.0 CAPITAL EXPENDITURE & FINANCING

4.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets and can also include the acquisition of property which is held primarily for financial return. Capital expenditure is defined in regulation.

4.2 The Council has planned capital expenditure of £420.428m in the period 2023/24 to 2027/28 which is shown below:

**Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions**

| | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m |
|---|---|---|---|---|---|
| General Fund Services | 70.766 | 105.865 | 46.097 | 12.718 | 10.357 |
| Housing Investment Programme (NuPlace) | 10.782 | 40.700 | 30.155 | 16.470 | 5.000 |
| Property Portfolio | 7.169 | 31.421 | 18.726 | 5.452 | 2.500 |
| Telford Land Deal | 1.330 | 1.812 | 3.108 | 0.000 | 0.000 |
| **Total** | **90.047** | **179.798** | **98.086** | **34.640** | **17.857** |

4.3 Over the medium term, the main General Fund capital projects are:

- Over £31m invested in transport and Highways schemes to repair, improve and maintain our roads and pavements. We have also secured significant amounts of Government funding to improve many roads, roundabouts and junctions. The results from the National Highways & Transportation Survey (NHT) for this year have us top in the region for overall satisfaction with roads, we are second nationally and highest out of all unitary authorities.

- Over £41m for education capital projects including investment in school expansion projects to increase pupil places
- A new £20m Capital projects fund to be allocated over the coming 4 years by the Cabinet to key community priorities
- £9.7m for affordable and specialist housing programmes
- Over £10.8m for a range of housing initiatives, including affordable warmth, empty properties, rough sleeper and temporary accommodation
- £8.7m for a new swimming pool
- £0.9m funding to progress development of “stalled sites”
- Over £2.7m for Pride in Your High Street schemes
- £1.167m for Environmental Improvements/ Enhancements and funding of £2.19m for Climate change initiatives to support work to reduce the Council’s carbon footprint and partnering with government and others on other climate change projects

Other Investments, 2023/24 onwards, covered later in this report and included in the Investment Strategy, are:

- In the Housing Investment Programme, Nuplace (£103m),
- Property Investment Portfolio (£65m)
- As part of the HCA Land Deal (£6m)
- Towns Fund projects (£35m)
- Levelling Up Fund and Capital Regeneration Fund Projects (£37m)

The detailed capital programme can be accessed via Medium Term Financial Strategy link above.

4.4 **Governance**: capital budgets are approved as part of the Medium Term Financial Strategy presented to Cabinet in February and then Full Council. Additions to the capital programme are either considered by the Council’s Service & Financial Planning Officer Group (consisting of the Chief Executive, Executive Directors and Chief Financial Officer) and when agreed fed into the overall budget strategy to be approved at Full Council; or may be subject of a separate report to Cabinet/Full Council and incorporated into the budget at that point. The route depends on the phasing of the spend and the value of investment. The financial implications, including the associated debt charges and risks, are included in any separate reports taken forward and in the overall budget strategy report. Capital allocations are considered against the Council priorities, funding and payback, dependent on the nature of the scheme.

4.5 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and

capital receipts) or debt (borrowing, leasing, Private Finance Initiative). The planned financing of the above expenditure is as follows:

**Table 2: Capital financing in £ millions**

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m |
| Capital Receipts | 0.774 | 7.556 | 0.000 | 6.000 | 0.000 |
| Government Grants | 43.432 | 44.061 | 19.292 | 0.207 | 0.000 |
| Revenue & External Contributions | 3.745 | 10.308 | 3.075 | 0.000 | 0.000 |
| Borrowing | 42.096 | 117.873 | 75.719 | 28.433 | 17.857 |
| **Total** | **90.047** | **179.798** | **98.086** | **34.640** | **17.857** |

4.6 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP is as follows:

**Table 3: Replacement of debt finance in £ millions**

| | Projected 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m |
| MRP | 4.306 | 5.592 | 5.926 | 6.214 | 6.450 |

The Council's minimum revenue provision policy can be found in the Treasury Strategy which can be accessed via the Medium Term Financial Strategy link above.

The Government is in the final stages of a consultation on changes to the regulations relating to MRP. It is currently intended that the proposed changes will take effect from April 2024. The Council will comply with the updated regulations when they are finalised.

4.7 The Council's cumulative outstanding debt is measured by the "capital financing requirement" (CFR). The CFR increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. Based on current plans, the CFR is expected to increase in the short term to fund the capital programme as shown in the table below. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

### Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

| | 31.03.2023 £m | 31.03.2024 £m | 31.03.2025 £m | 31.03.2026 £m | 31.03.2027 £m | 31.03.2028 £m |
|---|---|---|---|---|---|---|
| General Fund Services | 393.380 | 414.801 | 456.459 | 478.833 | 483.203 | 487.891 |
| Housing Investment Programme | 63.544 | 74.326 | 115.026 | 145.181 | 161.651 | 166.651 |
| Property Portfolio | 59.963 | 65.906 | 96.315 | 115.040 | 120.492 | 122.992 |
| Solar Farm | 3.800 | 3.800 | 3.800 | 3.800 | 3.800 | 3.800 |
| **Total** | **520.687** | **558.833** | **671.600** | **742.854** | **769.146** | **781.334** |

4.8 **Asset management:** To ensure that capital assets continue to be used over the long-term, the Council has an Asset Management Plan which can be accessed via the Council's website. The Asset Management Plan sets out the proposals to effectively manage our assets with its key objectives being to:

- Ensure assets are fit for purpose
- Maximise the use of assets
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property and outline objectives
- Ensure Asset Management decisions are co-ordinated and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess property performance and to support and facilitate the changing patterns of service delivery
- Use land and buildings to facilitate the "growth" agenda and be the enabler of regeneration
- Optimise and prioritise the level of property investment, to meet the Council's current and future service needs
- Promote the innovative use of property together with partners and stakeholders

4.9 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2024/25 please see section 4.10 for further information.

Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive capital receipts in the medium terms as follows:

**Table 5: Capital receipts in £ millions**

| | Projected 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2027/28 £m |
|---|---|---|---|---|---|
| Capital Receipts | 0.774 | 7.556 | 0.000 | 6.000 | 0.000 |
| **Total** | **0.774** | **7.556** | **0.000** | **6.000** | **0.000** |

4.10 **Flexible Use of Capital Receipts**: The Government have offered Councils the ability to fund the one-off costs of service reform projects from new capital receipts generated from 1st April 2016 up to 31 March 2030. This has enabled some funds previously committed to fund one-off invest to save initiatives and severance costs etc. to be released but will result in higher levels of debt than would have otherwise been the case and therefore higher debt charges than would otherwise have been the case as all capital receipts would otherwise be used to fund planned capital projects. However, whilst the debt charges are ongoing they will be more than offset by the ongoing savings generated from the invest to save measures. The Council's approach to using this flexibility is explained in the Medium Term Financial Strategy approved by Full Council.

## 5.0 DEBT, BORROWING AND TREASURY MANAGEMENT

5.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

5.2 The Council currently has £350.7m borrowing at an average interest rate of 3.33% and £29.6m treasury investments at an average rate of around 4.82% (with the paramount aim of ensuring security of the principal invested, rather than yield).

5.3 **Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and longer term borrowing.

5.4 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases are shown below, compared with the capital financing requirement (see above).

**Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions**

| | 31.03.2023 | 31.03.2024 | 31.03.2025 | 31.03.2026 | 31.03.2027 | 31.03.2028 |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| Debt (incl. PFI & Leases) | 395.109 | 420.393 | 534.891 | 607.838 | 635.981 | 650.017 |
| CFR | 520.687 | 558.833 | 671.600 | 742.854 | 769.146 | 781.334 |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this requirement by a significant margin.

5.5 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

***Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m***

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m |
| Authorised Limit Borrowing | 495 | 655 | 745 | 765 | 775 |
| Authorised Limit PFI & Leases | 54 | 54 | 54 | 54 | 44 |
| **Authorised Limit Total** | **549** | **709** | **799** | **819** | **819** |
| Operational Boundary Borrowing | 475 | 635 | 725 | 745 | 755 |
| Operational Boundary PFI & Leases | 50 | 50 | 50 | 50 | 40 |
| **Operational Boundary Total** | **525** | **685** | **775** | **795** | **795** |

The Council expects to operate well within both the authorised and operational limits as it has successfully done for many years. Further details on borrowing are can be found in the Treasury Strategy which can be accessed via the Medium Term Financial Strategy Link above.

**5.6 Liability Benchmark:** the authority uses a liability benchmark as a tool to assist with future borrowing needs. The benchmark shows that the Council's current level of external borrowing is below the amount needed to fund future commitments and therefore future borrowing is required. Further information about the Liability Benchmark can be found in the Treasury Management Strategy.

**5.7** The Council will not borrow to invest primarily for financial return and spending plans do not include acquisition of assets primarily for yield; for clarity spending plans relate to the functions of the authority. This ensures that the Council is able to

access borrowing from the PWLB (the Government's lending facility) which provides long term liquidity. The Council does have investments whose primary aim is to deliver service benefits which also deliver an income stream, which are detailed in Sections 6- 9 below.

**5.8** **Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or that provide an element of financial gain in addition to service related benefits are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. External specialist Treasury management Advisors advise the council on the credit worthiness of banks. Money that will be held for longer terms can be invested more widely, including in bonds, Nuplace shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

**Table 8 - Treasury Management investments**

| | 31.03.23 £m | 31.03.24 £m | 31.03.25 £m | 31.03.26 £m | 31.03.27 £m | 31.03.28 £m |
|---|---|---|---|---|---|---|
| Short-term investments | 38.499 | 15.000 | 15.000 | 15.000 | 15.000 | 15.000 |

Further details on treasury investments can be found in the Treasury Strategy which can be accessed via the Medium Term Financial Strategy link above.

**5.9** The effective management and control of risk are prime objectives of the authority's treasury management activities. The treasury management strategy sets our various indicators and limits within which the function operates.

**5.10** **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Financial Officer and staff designated by him, who must always act in line with the treasury management strategy approved by Full Council. Reports on treasury management activity are presented to the Audit Committee twice a year. The Audit Committee is responsible for scrutinising treasury management decisions and receive training direct from the Council's specialist external treasury management advisors. Cabinet also receive supplementary updates as part of the financial monitoring.

## 6.0 KEY ACTIVITIES WITH SERVICE BENEFITS WHICH ALSO DELIVER SOME COMMERCIAL BENEFITS

**6.1** A number of investments, such as property, Nuplace, our wholly owned Housing Company, and the Solar Farm deliver key service benefits, such as retention and creation of jobs and increasing the supply of good quality private rented accommodation which would not otherwise be available. These investments also deliver a net financial gain which supports the Council's overall funding position as central government financial support for local public services has been declining.

**6.2** There are risks associated with all investments. The Council must accept that there are risks associated with projects with some commercial elements which are different to the risks associated with treasury investments. The principal risk exposures are outlined below and are monitored and managed by the relevant Service Area.

**6.3** A key focus of the budget strategy is on income generation. All projects with a commercial element are subject to a rigorous business case process to manage and mitigate risks as far as possible and are funded in accordance with the Council's approved Treasury Strategy and included in the Capital Programme, after taking advice from professional advisors as required. The Chief Financial Officer and Chief Executive, together with the wider Senior Management Team, will seek to ensure the proportionality of all investments with some commercial element so that the Council does not undertake a level of investment which exposes itself to an excessive level of risk compared to its financial resources. However, it has to be accepted that there is a degree of risk to such initiatives and that not all will be successful.

**6.4** Sections 7, 8 and 9 provide more detail on the Property Investment Portfolio, Nuplace and the Solar Farm.

## 7.0 PROPERTY INVESTMENT PORTFOLIO (PIP)

**7.1** The Authority holds a number of individual sites for investment, regeneration and economic development purposes: the Property Investment Portfolio. The PIP was valued at £139.4m at 31 March 2023 and is anticipated to generate around £8.7m rental income in 2023/24 which supports the overall revenue budget and therefore the delivery of front-line services.

**7.2** As part of the 'Enterprise Telford: Driving Growth and Prosperity" strategy **t**he Council established a Growth Fund as continued investment to strengthen and grow the Property Investment Portfolio. This is being used to invest directly into land and

property enabling local businesses to expand and attracting new investors which boosts jobs, the economy and generates additional income for the Council both directly through rental income but also through income from business rates which is retained by the Council between system resets. Over the 8 years the Growth Fund has operated, £79.4m investment to date has been made into a range of investments which are anticipated to help deliver approximately 1,445 new and safeguarded jobs. The Fund has supported a range of developments such as Rosewood Pet Products and Eden Horticulture Ltd at Hortonwood West and the expansion of Filtermist International Ltd at T54. Growth Fund Investment at Ni.Park has supported the growth of companies such as TAFE (Tractors and Farm Equipment Limited) and in response to the lack of supply, delivered a range of units to support small businesses at Leasows Court, Telford. New developments are nearing completion at Orchard Court and Ni.Park and work has recently started on the new Digital and Skills Hub, the first phase of development at Station Quarter. These investments are forecast to generate an average ongoing gross return on investment of 6.4%, (2.02% net of borrowing costs). Through the investment the Council will generate additional income which will be used to support front-line services such as the provision of care to vulnerable children and adults.

As part of the Councils continued commitment to the Property Investment Portfolio, the Medium Term Financial Strategy includes additional investment of £10.0m into the Growth Fund, taking the total investment to £65m into the Growth Fund from 2023/24 to 2027/28, which will further enhance the portfolio.

**7.3 Governance**

The Director: Prosperity & Investment has delegated authority to manage the Property Investment Portfolio and to make decisions in relation to PIP property investments and disposals.

Delegated authority has also been granted to the Director: Prosperity & Investment, after consultation with the Director: Finance & Human Resources and the Cabinet Lead: Finance & Governance to approve individual business cases in relation to the Growth Fund.

Specific factors considered as part of the decision making process are:

- Regeneration opportunities
- Local market needs/demand for properties
- Future proofing the local economy by attracting new investment
- Job creation for local people
- Sustaining revenue rental income
- generating additional rental income / business rates (between system resets)
- Maintaining or increasing capital value of assets
- Return on Capital
- Running Costs

### 7.4 Risks

Risks in relation to the PIP include: voids and consequential service and business related changes and bad debt. The market for inward investment opportunities is also competitive although the growth fund has proved to be a considerable incentive for investors and existing businesses expansion. At a macro level risk exists linked with changes in the commercial market and Telford's heavy reliance on the manufacturing sector. The economic strategy aims to address this including supporting diversification into new sectors.

The risks associated with each individual investment are considered as part of the business case approval process. Where proactive (i.e. where no specific end-user has been identified) industrial unit development is proposed in order to respond quickly to enquiries and be able to maximise opportunities the level of risk associated with void periods increases and to minimise such exposure a cap on revenue liability from new build proactive investments has been set at £350,000 per annum. The ability to exceed this limit would be on the basis of a specific business case to be approved by the Director: Prosperity & Investment after consultation with the Director: Finance & Human Resources and the Lead Cabinet Member for Finance, Customer Services & Governance.

7.5 Further information about the Growth Fund can be found in a separate report to Cabinet on 19 October 2023

| | |
|---|---|
| Telford Growth Fund Update<br>Cabinet 19 October 2023<br>Agenda Item no. 6 | Agenda for Cabinet on Thursday 19 October 2023, 10.00 am - Telford & Wrekin Council |

## 8.0 NUPLACE LIMITED / HOUSING INVESTMENT PROGRAMME

**8.1** Nuplace Limited, the Council's wholly owned housing company, was incorporated in April 2015. Its purpose is :

- the construction and management of private and affordable, quality residential properties for rent responding to the housing needs in the Borough
- to regenerate brown field sites that the Council has been unable to sell
- increasing the quality of the private rented sector, providing a long-term responsive landlord
- incidentally, the generation of income streams for the Council, both short term and long term, which will protect frontline services, otherwise affected by budgetary constraints
- to stimulate economic growth through job creation during construction and afterwards

**8.2** A detailed business case was presented to Cabinet in 2015, and subsequently updated in June 2017 and November 2020.

**8.3** Nuplace has seen: 466 homes delivered, across ten sites with a further 13 refurbished properties across the Borough, bringing the total number of houses delivered to 479. Of these properties, 80 are for affordable rent or built to an adaptable standard, with the remainder being rented on the open market.

**8.4** The Council has invested in Nuplace through a combination of equity, in the form of share capital and debt finance, both of which will generate a return. At 31 March 2023 the Council had £18.8m equity invested in Nuplace and the loan totalled £45.4m. In the long term, Nuplace will generate a surplus to the Council over the 30 year period of the project due to the expectation that the value of the assets will increase over the long-term as well as the development gain usually made when the properties are completed.

**8.5** In 2022/23 Nuplace made a net profit of £0.316m after taxation and had net assets of £40.1m at 31 March 2023 (in total, assets have been revalued upwards by £16.4m since 2017/18). Since 2015/16, the Council has received net income totalling £9.7m from services supplied, dividend and interest on debt finance. Further, there are benefits from Council Tax (between system resets) and New Homes Bonus.

**8.6** The Medium Term Financial Strategy includes additional investment of £37m into Nuplace, taking the total investment to £103.1m from 2023/24 to 2027/28 to further develop Nuplace. Capital is allocated to sites based upon feasibility criteria. The rate of return for each investment is dependent upon a range of parameters and is reviewed by the Council's finance department on a case by case basis. Nuplace is funded through a combination of debt and equity and the council receives a return on both. Net income from Nuplace, including loan interest, was £1.9m in 2022/23 and is projected to be around £2.0m in 2023/24. The long term return on the equity investment is forecast to be around 6%. The governance arrangements are set out in the detailed business case and consist of 3 directors, with clear lines of reporting and monitoring procedures and a Housing Investment Programme Board is in place which is made up of Council Officers and Elected Members.

**8.7** **Risks** and Governance are managed through the Housing Investment Programme Board

**8.8** Further information about the Housing Investment Programme can be found in a separate update report to Cabinet on 4 January 2024 and in the published Statement of Accounts for Nuplace.

| | |
|---|---|
| Housing Investment Programme Update<br>Cabinet 4 January 2024 | Agenda for Cabinet on Thursday 4 January 2024, 10.00 am - Telford & Wrekin Council |

## 9.0 SOLAR FARM

**9.1** Following a business case appraisal and approval by Cabinet in September 2013, the Council invested in developing a new solar farm within the Borough which became operational in 2015/16. The total capital investment was £3.7m.

**9.2** The aims of the solar farm were:

- Generation of renewable energy to provide an inflation linked income stream guaranteed by the Government for the council
- Environmental benefits - reducing greenhouse gas emissions and generating more electricity from renewable energy.

The solar farm is anticipated to deliver £0.7m net additional income in 2023/24; and is projected to generate a net cumulative operating surplus of £4.4m over the 25 year project life.

In terms of risk management, a risk register is in place for the solar farm which is monitored and updated on a regular basis by the Council's Commercial Projects Team.

## 10.0 OTHER INVESTMENTS FOR SERVICE PURPOSES

**HCA Land Deal**

**10.1** The Telford Land Deal is a uniquely negotiated deal between the Council, Homes England (formerly HCA) and MHCLG through which Homes England/MHCLG have committed to invest £44.5m from the sale of Government owned land in Telford to invest in the local area supporting the delivery of new homes, jobs and commercial floor space.

**10.2** The deal is based on a risk-reward model which requires the Council to make investment into site preparation up front, at risk, with this investment recouped from land receipts. The Council manages the delivery programme and is able to influence investment decisions through the Land Deal Board.

**10.3** Since the Deal was established gross land sales of £48.6m have been secured, enabling the delivery of 1,535 new homes and enabling over 2,233 new jobs. The Council has facilitated spend of £22.5m in bringing forward sites for development recouped from land sales and the total profit share delivered to the Council to date

is £10.2m gross, £7m after setting aside £2m for constrained/liability sites and £0.1.2m distribution to the Marches LEP.

**10.4** The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board.

**10.5** Capital allocations totalling £6.2m are included in the Medium Term Financial Strategy. This include investment of profit share; spend to bring sites to disposal and spend on the liability sites.

**10.6** Further information about the Land Deal can be found in a separate update report to Cabinet 19 October 2023.

| | |
|---|---|
| Telford Land Deal Update<br>Cabinet 19 October 2023 | Agenda for Cabinet on Thursday 19 October 2023, 10.00 am - Telford & Wrekin Council |

**Towns Fund / Levelling Up Funds**

**10.7** In 2019, the government formed the Towns Fund, a £3.6 billion programme to regenerate towns across the country. Telford was successful in being awarded £22.3m grant funding to regenerate Telford Town Centre (Station Quarter), Wellington Conservation Area and Oakengates Theatre Quarter.

**10.8** This investment, together with match funding from the Council will deliver a transformational programme over the next 3 years. A Town Deal Board has been established which includes representatives from the public, private and community and voluntary sectors. The Board is responsible for overseeing the delivery of the Towns Fund Programme.

**10.9** The Medium Term Financial Strategy includes capital allocations of £35.2m, phased across 2023/24 to 2025/26, which includes Towns Fund grant and council investment.

**10.10** The Council were also successful in securing £20m Government Levelling Up Funding and £9.8m Capital Regeneration Projects funding during 2023. This funding, together with council investment, will deliver two major projects: (i) Remodelling of Telford Theatre and the Creation of a new educational facility in Telford Station Quarter; and (ii) remodelling of Wellington Town Centre, including the acquisition and restoration of Wellington indoor Market, acquisition and refurbishment of the Orbit and public realm/highways improvements.

**10.11** The Medium Term Financial Strategy includes capital allocations of £37.3m, phased across 2023/24 to 2026/27, which includes Levelling Up grant, Capital Regeneration grant and council investment.

**10.12** Further information about the Telford Towns Fund, Levelling Up Fund and Capital Regeneration Fund can be found at the following web page:

| | |
|---|---|
| Telford Towns Fund<br>Web Page | Telford Towns Fund |

## 11.0 OTHER LIABILITIES

**11.1** In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £80m on 31 March 2023) and has agreed a long-term arrangement with the Pension Fund, which is reviewed every three years, to ensure that the deficit is fully repaid within a timeframe acceptable to the Pension Fund and its actuaries.

The Council created provisions totalling £15.7m in the 2022/23 Draft Statement of Accounts, which includes a provision for Single Status and NDR Appeal costs. At 31 March 2023 the Council had no major contingent liabilities in the Draft Statement of Accounts.

**11.2** **Governance:** Decisions on incurring new discretional liabilities are taken by Directors in consultation with the Chief Financial Officer. New liabilities are reported to Members for approval/notification as appropriate.

## 12.0 REVENUE BUDGET IMPLICATIONS

**12.1** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

**Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream**

| | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m | 2026/27 £m |
|---|---|---|---|---|---|
| Financing Cost as a proportion of net revenue stream | 7.25% | 8.54% | 9.27% | 9.42% | 9.29% |

**12.2** The ratio is lower in 2023/24 which reflects capital programme re-profiling during the year.

**12.3** Within the MTFS a prudent interest rate of 4.6% has been assumed for new borrowing in 2024/25, and then 3.5% for all future borrowing requirements from 2025/26 onwards. During the year, the Council will seek to reduce the amount of interest paid through using a mixture of long term borrowing (mainly using PWLB) when rates are favourable (i.e. targeting below 4.6%) and cheaper temporary borrowing when available. However, there is of course a risk of exposure to interest rate increases in excess of the budget assumptions. Prudential borrowing 2023/24 to 2027/28 totals £282m; 1% interest on this would in total be £2.82m (excluding refinancing existing loans maturing).

## 13.0 KNOWLEDGE AND SKILLS

**13.1** The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Financial Officer is a qualified accountant with over 30 years' post qualification experience, the Director: Prosperity & Investment and the Director: Customer & Commercial Services are both highly experienced senior officers with extensive relevant experience. The Council pays for junior staff to study towards relevant professional qualifications including AAT and specific specialist technical training.

**13.2** Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Treasury Services Limited as treasury management advisers, a range of property consultants and PWC as taxation advisors. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

## 14.0 CHIEF FINANCIAL OFFICER COMMENT

**14.1** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years, or longer, into the future. The Chief Financial Officer is satisfied that, whist capital charges are a long-term commitment against the revenue budget, the proposed capital programme is prudent, affordable and sustainable due to the continued track record of sound financial management including delivering revenue budget outturn within budget, delivering annual budget savings which now total £156.9m, long-term service redesign, the proportion of capital schemes that create assets that generally increase in value over time and which could be sold if required and which generate revenue which offsets or exceeds associated capital charges, the current level of reserves and provisions and the planned approach to treasury

management which is to lock in to long term fixed rates of interest when appropriate giving increased certainty over costs in the long-term.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council Report

## 29 February 2024

## Medium Term Financial Strategy 2023/24 – 2027/28: Capital Programme

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| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Goverance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Edward Rushton - Group Accountant |
| **Officer Contact Details:** | **Tel:** 01952 383750 **Email:** edward.rushton@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 16 February 2024<br>Full Council – 29 February 2024 |

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**1.0 Recommendations for decision:**

It is recommended that Full Council approve:

1.1 The report and associated capital estimates for 2023/24 and 2024/25 to 2027/28, which incorporates the Capital Programme (Appendix A), the Planned Building Investment Programme 2024/25 (Appendix B), Asset Management Plan 2024 -2028 (Appendix C) and the Highways and Transport Capital Investment Programme 2024-2028 (Appendix D).

1.2 the following delegations, in line with the approved budgets and any variations or changes to schemes in these programmes which must remain within overall approved budgets, after consultation with the appropriate Cabinet Members:

(i) Delegation to the Director: Prosperity & Investment to deliver the planned programme of works within the 'Asset Management Plan' and Planned Building Investment Programme (Appendix B).

(ii) Delegation to the Director: Neighbourhood and Enforcement Services to deliver the Highways and Transport Capital Investment Programme (Appendix D).

## 2.0 Purpose of Report

2.1 The report details the revised capital programme for 2023/24 and the proposed capital programme for 2024/25 to 2027/28, together with the Planned Building Investment Programme and the Highways and Transport Capital Investment Programme.

## 3.0 Background

3.1 This report presents the Council's Capital Programme for 2023/24 to 2027/28 at a value of £420.4m that includes the proposed capital investments included in the overall budget strategy. The report also sets out the Council's proposed Planned Building Investment Programme, particularly focusing on 2024/25, Appendix B, and the Highways & Transport Capital Investment Programme 2024/25 – 2027/28, Appendix D.

The Planned Building Investment Programme for 2024/25 has been informed by the Asset Management Plan 2024-2028 (Appendix D) which sets out the framework for assessing and prioritising property related issues.

The programmes address our corporate priorities in conjunction with the medium term financial strategy.

The full revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed Medium Term Financial Strategy.

## 4.0 Summary of main proposals

### 4.1 Strategic Overview

In the short to medium term, Telford & Wrekin Council is in a period of significant transformation and change. The drivers of this are:

- The retrenchment of public spending by the Government - the Council has faced the challenge of making significant savings, totalling £156.9m by the end of 2023/24, whilst trying to protect front-line services as far as possible. Our

Medium Term Financial Strategy sets out our response to this challenge and how these savings are being identified and delivered, and

- In June 2022, the Council's Cabinet agreed a refreshed Council Plan to deliver the organisation's vision to ***'Protect, Care and Invest to Create a Better Borough'*** as we begin to return to normality following the COVID-19 Pandemic.

The Plan identifies five priorities to deliver this vision which reflect our ambition and aspirations for the Borough and the outcomes we want to achieve. The five prioroities are:

- **Every child, young person and adult lives well in their community**
- **Everyone benefits from a thriving economy**
- **All neighbourhoods are a great place to live**
- **Our natural environment is protected, and the Council takes a leading role in addressing the climate emergency; and**
- **A community-focused, innovative council providing efficient, effective and quality services**

At the heart of this is tackling the inequalities that exist in our communities. We will build a strong, clean economy where all our communities can prosper and are resilient and healthy. At the heart of this will be the action we take to protect our environment and our commitment to playing our part in tackling the climate emergency.

As an award winning co-operative council, our approach will always be informed by the views and voices of our residents, communities and partners. We will remain evidence led and community focused because this will shape and influence what we do and how we do it.

Capital investment clearly plays a key role in the achievement of our local priorities. Through our Capital Strategy and Asset Management Plan we seek to maximise the value and opportunities of our assets to take forward the delivery of emerging strategic priorities.

Our Capital Strategy and Asset Management Programme are not, however, just about 'concrete, tarmac, buildings etc.', they are about making a positive difference to the quality of local people's lives through specific projects, services, technology and facilities. In recent years, key initiatives have been progressed/delivered through targeted capital investment. Further information can be found in the Council Plan.

### 4.2 Capital Programme: 2023/24 – 2027/28

During 2024/25, we are planning to invest **£179.8m** as part of a **£420.4m** medium-term capital programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council's own resources (capital receipts), and Prudential

Borrowing by the Council. Over the planning period, our capital programme is as follows:

| Capital Programme by Priority Area (£m) | Total | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| Adult Social Care | 1.113 | 0.991 | 0.122 | 0.000 | 0.000 | 0.000 | 0.000 |
| Communities, Customer & Commercial Services | 19.928 | 4.819 | 8.100 | 3.009 | 2.000 | 2.000 | 0.000 |
| Corporate Items | 26.688 | 1.500 | 7.769 | 7.419 | 5.000 | 5.000 | 0.000 |
| Education & Skills | 40.766 | 9.295 | 21.137 | 10.334 | 0.000 | 0.000 | 0.000 |
| Finance & Human Resources | 0.475 | 0.095 | 0.095 | 0.095 | 0.095 | 0.095 | 0.000 |
| Housing, Employment & Infrastructure | 23.342 | 9.529 | 13.813 | 0.000 | 0.000 | 0.000 | 0.000 |
| Neighbourhood & Enforcement Services | 33.153 | 17.696 | 8.557 | 2.300 | 2.300 | 2.300 | 0.000 |
| Policy & Governance | 0.402 | 0.081 | 0.135 | 0.062 | 0.062 | 0.062 | 0.000 |
| Prosperity & Investment | 274.561 | 46.041 | 120.070 | 74.867 | 25.183 | 8.400 | 0.000 |
| **Total** | **420.428** | **90.047** | **179.798** | **98.086** | **34.640** | **17.857** | **0.000** |

Supporting Telford & Wrekin's role as a focus for continued growth and development underpins all our priorities. This is very much a 'capital' agenda – though it must be supported by the day-to-day delivery of high quality and efficient service for the community whilst also improving services - and we will look creatively to utilise local resources such as the Council's land assets and land owned by other partners, and external funding and investment to turn vision into reality.

### 4.3 Capital Planning Framework

The Council's Capital Strategy is driven by our shared Vision for the Borough and our Priorities. All our plans and spending proposals (both capital and revenue) are developed within a partnership framework. The Capital Strategy is seen as a key opportunity to:

- drive forward the Vision and Priorities for the Borough,
- influence the development of the Borough and the actions of other agencies,
- work in partnership with other bodies to pursue national and regional objectives,
- ensure that funding mechanisms are used effectively and external funding maximised, and
- maintain and improve the condition and suitability of our assets.

A key feature of our approach is that capital and revenue expenditure are considered together through one integrated Medium Term financial strategic planning framework and process. The Capital Programme process brings together all aspects of capital planning and management. It guides and acts as the focus for all work on capital issues. The capital programme process is given firm leadership at:

- officer level by the Senior Management Team, the senior officer Capital Programme Board; and
- member level by the Cabinet.

Progress and the outcomes of capital expenditure are also considered by the Council's scrutiny committees as part of their service and financial performance monitoring role. They also input specifically to the strategy development process through scrutiny of the Draft Budget Strategy.

### (i) Approach

Our approach to the Capital Programme Process is described below. This process is continually evolving and has been developed to enable the Council to respond effectively to the developments in Capital and Asset Management Planning.

The Prudential Code of Borrowing requires us to look at capital and revenue spend in an integrated way. Under this regime, the Council has much more freedom to invest in capital projects as long as the borrowing is determined to be affordable, prudent, sustainable and represents value-for-money. The prudential system of capital finance makes the capital strategy a much more integral and essential part of the annual budget setting process and medium term financial strategy; developed through an emerging 3-year forward planning framework which brings together service and financial planning priorities and proposed developments to support delivery of our priorities.

### (ii) Capital Programme Process

#### a) Strategic Review of Needs

We annually review plans and priorities for capital spending. This is done as part of the annual corporate planning process and the outcome of major policy and/or service reviews. In seeking to determine priorities for investment and action, it is important to understand the key issues, needs and opportunities that need to be addressed. The Council Plan 2020 – onwards "**Our Programme to Protect, Care and Invest to create a better borough"** and Vision map these out in detail.

The result is a clear strategic view of priorities which identifies both **pressures and developments** in terms of:

- Projects required to progress the Vision for the Borough – whether partner, Council or joint (developments);
- Projects required to meet service priorities (pressures and developments);
- Maintenance spending required on assets (pressures).

This process is done collaboratively through dialogue with partners and is also informed by the Council's consultation strategy. This framework encourages a joined-up focus on outcomes, on major strategic initiatives and partnership working. The outcome is a broadly-based overview of capital spending priorities, business needs and opportunities, and outcomes to be realised.

#### b) Strategic Consideration of Priorities, Resources and Resource Implications

The financial implications of new capital spending requirements are carefully assessed within the Medium Term Financial Strategy in terms of:

- Overall resource availability including the anticipated results of asset disposals;
- Identification and consideration of whole life costings;
- Identification of significant revenue implications for capital proposals, with overall decisions on capital programme being made (and consulted on) as part of the overall development of the Medium Term Financial strategy;
- Consideration of appropriate procurement strategies and potential funding regimes.
- 'Pay back'/'Invest to Save' potential.

The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2024/25 has been developed around the following principles and processes:

- **Corporate Strategic Planning Assessment:**

Revenue and capital budgets are planned together as far as practicable each year. Desired spending has been prioritised and narrowed down into an overall capital strategy taking account of local, national and regional priorities.

**- Options Appraisal to Secure Value for Money:**

In developing the capital programme, the Council has sought to identify which of a number of alternative ways is the best way to fund and deliver a capital project to meet its objectives. Also, to ensure that the Council's approach to prudential borrowing is affordable, prudent and sustainable, a set of prudential indicators have been developed to monitor performance. The case for capital investment requires consideration / identification of how such spend represents or will improve value-for-money to the community.

**c) Detailed Capital Programme**

The Strategic Assessment of capital spending priorities is then subjected to further internal and external consultation and translated into an achievable phased programme across the whole Council with clearly agreed and identified:

- Revenue implications.
- Procurement Arrangements;
- Timescales, project management arrangements and accountabilities;

**Appendix A** sets out details of our committed Capital Programme 2023/24 – 2027/28 and associated funding.

**d) Control, Monitoring, Performance Management & Review**

A corporate framework for project management exists for capital schemes. Regular monitoring of progress and spend takes place both at service level and corporately.

The Asset Management Plan ensures that relevant property PIs have been incorporated into corporate performance monitoring arrangements and into the monitoring of the management of the capital programme. In-year progress is highlighted as part of the reporting arrangements of the Service & Financial Performance Management Framework of regular reports to the Senior Management Team, Cabinet and full Council where amendments to the approved policy and budget framework are required .

## 4.4 Asset Management Planning and Programme

### Our Strategic Approach

The Asset Management Plan and associated data on Property (i.e. condition, suitability, sufficiency, access, asbestos surveys) informs the Council's Building Investment Programme. The Council has completed all surveys for Operational Properties used for the delivery of its services and these are updated on a rolling programme each year. The Council's Asset Management Plan has identified a condition backlog of £6.9m for Operational Properties (excluding schools) and £16.1m for Schools / Education properties.

The Building Investment Programme as detailed in Appendix B, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2024/25 is £1.95m for Educational Assets and £0.70m for all other Operational Assets (including miscellaneous assets). The budget allocations do not take into account the capital investment relating to expansion of schools. In addition to the above capital allocations, schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for maintaining and investing in the school building stock on a day to day basis.

### Condition backlog as detailed in the Asset Management Plan and updated for 2023

**Priority 1**
Urgent works that will prevent closure of premises and/or address a high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

**Priority 2**
Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address medium risk to the health and safety of the occupants and/or remedy a minor breach of legislation.

**Priority 3**
Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of legislation.

Previous year condition comparisons

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|
| Schools | P1-P3 | £18,434,265 | £18,182,752 | £18,267,205 | £17,112,347 | £16,612,040 | £16,138,320 |
| Operational | P1-P3 | £5,417,208 | £5,680,437 | £5,629,287 | £5,177,048 | £6,825,859 | £6,926,513 |

The Asset Management Database is analysed on a yearly basis as the priorities may change due to new findings as part of continuing re-surveys of property. Emergencies that occur within the financial year may also lead to reprioritisation of the allocated budgets and a change to the programme identified.

In accordance with prioritisation as set out in the Asset Management Plan we have identified the building maintenance programme for 2024/25 as shown in Appendix B; all schemes listed are deemed necessary in order to maintain service delivery.

### 4.5 Partnership and Cross Cutting Acivity

The Council actively works with partners to maximise assets for example through various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

### 4.6 Consultation

The Council has been engaging with the local community around the development of our Medium Term Financial Strategy. Further details are set out in the over-arching Medium Term Financial Strategy report considered by Cabinet on 4 January 2024. As capital programmes are being rolled out there will be a need to consider where further consultation with the public is required/appropriate.

### 4.7 Resources

#### 4.7.1 Revenue/External

The main revenue / external allocations still to be used are set out below:

| Revenue & External Funding (£m) | Total | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| **Total** | 17.128 | 3.745 | 10.308 | 3.075 | 0.000 | 0.000 | 0.000 |

#### 4.7.2 Supplementary Grants

While information is still awaited on some allocations, the following allocations have been built into the overall resources position:

| Supplementary Grants (£m) | Total | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| Adult Social Care | 0.008 | 0.003 | 0.005 | 0.000 | 0.000 | 0.000 | 0.000 |
| Communities, Customer & Commercial Services | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Corporate Items | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Education & Skills | 39.497 | 9.265 | 19.898 | 10.334 | 0.000 | 0.000 | 0.000 |
| Finance & Human Resources | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Housing, Employment & Infrastructure | 6.880 | 5.712 | 1.168 | 0.000 | 0.000 | 0.000 | 0.000 |
| Neighbourhood & Enforcement Services | 13.959 | 8.702 | 5.257 | 0.000 | 0.000 | 0.000 | 0.000 |
| Policy & Governance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Prosperity & Investment | 46.648 | 19.750 | 17.733 | 8.958 | 0.207 | 0.000 | 0.000 |
| **Total** | **106.992** | **43.432** | **44.061** | **19.292** | **0.207** | **0.000** | **0.000** |

### 4.7.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £14.33m the estimated phasing of which is shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Financial Strategy.

There is currently a Flexible Use of Capital Receipts Direction in place in relation to Transformation projects for the years 2023/24 up to and including 2024/25 which the Council will utilise and is included in the Medium Term Financial Strategy.

| Capital Recipts (£m) | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| **Total** | 14.330 | 0.774 | 7.556 | 0.000 | 6.000 | 0.000 | 0.000 |

### 4.7.4 Prudential Borrowing Regime

Within the Medium Term Financial Strategy for 2023/24 to 2027/28 the level of Prudential Borrowing assumed is as follows:

| Prudential Borrowing (£m) | Total | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| **Total** | 281.978 | 42.096 | 117.873 | 75.719 | 28.433 | 17.857 | 0.000 |

### 4.7.5 Overall Resources Position

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known.

| Resources available (£m) | Total | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Later Years |
|---|---|---|---|---|---|---|---|
| **Grant Allocations** | | | | | | | |
| Adult Social Care | 0.008 | 0.003 | 0.005 | 0.000 | 0.000 | 0.000 | 0.000 |
| Communities, Customer & Commercial Services | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Corporate Items | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Education & Skills | 39.497 | 9.265 | 19.898 | 10.334 | 0.000 | 0.000 | 0.000 |
| Finance & Human Resources | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Housing, Employment & Infrastructure | 6.880 | 5.712 | 1.168 | 0.000 | 0.000 | 0.000 | 0.000 |
| Neighbourhood & Enforcement Services | 13.959 | 8.702 | 5.257 | 0.000 | 0.000 | 0.000 | 0.000 |
| Policy & Governance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Prosperity & Investment | 46.648 | 19.750 | 17.733 | 8.958 | 0.207 | 0.000 | 0.000 |
| **Sub-total** | **106.992** | **43.432** | **44.061** | **19.292** | **0.207** | **0.000** | **0.000** |
| **Other Resources** | | | | | | | |
| Capital Receipts | 14.330 | 0.774 | 7.556 | 0.000 | 6.000 | 0.000 | 0.000 |
| Revenue / External | 17.128 | 3.745 | 10.308 | 3.075 | 0.000 | 0.000 | 0.000 |
| Prudential Borrowing | 281.978 | 42.096 | 117.873 | 75.719 | 28.433 | 17.857 | 0.000 |
| **Sub-total** | **313.436** | **46.615** | **135.737** | **78.794** | **34.433** | **17.857** | **0.000** |
| | | | | | | | |
| **Total** | **420.428** | **90.047** | **179.798** | **98.086** | **34.640** | **17.857** | **0.000** |

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme are built in to the budget summary.

## 4.8 Conclusion

Telford & Wrekin is a growing and changing area and therefore it has substantial capital spending needs:

- to support and meet the growing needs of the Borough and our aspirations to transform Telford & Wrekin,
- to maintain and develop the Council's own stock of capital assets,
- to address the 'New Town effect' of a commonly-ageing infrastructure, and
- to invest in schemes such as NuPlace and the Telford Growth Fund that will further increase the choice of homes available for people looking to rent from a high quality, responsive landlord with a commitment to providing secure long-term homes and will also regenerate brown-field sites, attract new jobs, and retain companies that may otherwise leave the Borough if suitable premises are not available. Profits from these investments will be used to help fund key front line services including Adult Social Care and Children's Safeguarding. Additional council tax, new homes bonus and business rates will also be generated by these investments which will also help to support essential front line services.

As a former new town area, with the Council having limited land and asset holdings, we have a more limited capacity to generate capital receipts through disposals than some other authorities. We, therefore, take the capital strategy and its asset

management planning very seriously. We look on capital spending as an integral element of our overall approach to Community Planning, partnership working and community engagement.

We are committed to maximising the effectiveness of our assets and capital spending and to identifying or creating opportunities to attract external funding resources. Our focus is on delivering our priorities and policy objectives and on ensuring that our vision for the community can, each year, become more of a reality for local people.

## 5.0 Alternative Options

5.1 The Council could decide not to make the investments as set out in this report, however for the reasons set out within the report such decisions would likely lead to increased costs in future years.

## 6.0 Key Risks

6.1 The Council's current strategic risks has been considered as part of allocating resources in the overall programme.

## 7.0 Council Priorities

7.1 All Council priorities are covered by the report.

## 8.0 Financial Implications

8.1 Where appropriate these are detailed in the body of the report.

## 9.0 Legal and HR Implications

9.1 The proposals contained within this report are compliant with the legislative requirements imposed upon the Council and all statutory guidance. Legal advice will be provided in relation to specific capital investments to ensure that the Council has the appropriate powers and to confirm that requisite due diligence has been undertaken.

## 10.0 Ward Implications

10.1 The proposals in this report affect all wards across the Borough.

## 11.0 Health, Social and Economic Implications

11.1 Where appropriate, these are detailed in the body of the report.

## 12.0 Equality and Diversity Implications

12.1 The overall budget framework contains funding to support the Council's work to promote Equalities & Diversity across the Borough and accessibility requirements will be addressed in the Planned Maintenance programme of works.

## 13.0 Climate Change and Environmental Implications

13.1 There is a specific allocation of £2.191m included in the capital programme to support the Council's work to reduce to the impact of Climate Change.

## 14.0 Background Papers

1 The Council Plan

## 15.0 Appendices

A Capital Programme 2023/24 to 2027/28
B Planned Building Investment Programme 2024/25
C Asset Management Plan 2024 - 2028
D Highways and Transport Capital Investment Programme 2024/25 – 2027/28

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Finance | 08/01/2024 | 10/01/2024 | PH |
| Legal | 08/01/2024 | 08/01/2024 | RP |
| Director | 08/01/2024 | 10/01/2024 | MLB |

## Capital Programme - 2023/24 to 2027/28

| Policy Area | Total £'000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | Later Years £'000 |
|---|---|---|---|---|---|---|---|
| Adult Social Care | 1,113 | 991 | 122 | 0 | 0 | 0 | 0 |
| Communities, Customer & Commercial Services | 19,928 | 4,819 | 8,100 | 3,009 | 2,000 | 2,000 | 0 |
| Corporate Items | 26,688 | 1,500 | 7,769 | 7,419 | 5,000 | 5,000 | 0 |
| Education & Skills | 40,766 | 9,295 | 21,137 | 10,334 | 0 | 0 | 0 |
| Finance & Human Resources | 475 | 95 | 95 | 95 | 95 | 95 | 0 |
| Housing, Employment & Infrastructure | 23,342 | 9,529 | 13,813 | 0 | 0 | 0 | 0 |
| Neighbourhood & Enforcement Services | 33,153 | 17,696 | 8,557 | 2,300 | 2,300 | 2,300 | 0 |
| Policy & Governance | 401 | 81 | 134 | 62 | 62 | 62 | 0 |
| Prosperity & Investment | 274,562 | 46,041 | 120,071 | 74,867 | 25,183 | 8,400 | 0 |
| **Total Expenditure** | **420,428** | **90,047** | **179,798** | **98,086** | **34,640** | **17,857** | **0** |
| | | | | | | | |
| **Resources** | | | | | | | |
| Government Grant | 106,992 | 43,432 | 44,061 | 19,292 | 207 | 0 | 0 |
| Prudential | 281,978 | 42,096 | 117,873 | 75,719 | 28,433 | 17,857 | 0 |
| Capital Receipts | 14,330 | 774 | 7,556 | 0 | 6,000 | 0 | 0 |
| Revenue | 2,803 | 1,678 | 1,058 | 67 | 0 | 0 | 0 |
| External | 14,325 | 2,067 | 9,250 | 3,008 | 0 | 0 | 0 |
| **Total Resources** | **420,428** | **90,047** | **179,798** | **98,086** | **34,640** | **17,857** | **0** |

**Capital Programme - 2023/24 to 2027/28**
**Scheme Summary showing major schemes separately**

| | | Expenditure | | | | | | | Funding | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Executive Director** | **Scheme** | **Total £'000** | **2023/24 £000** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **later years** | **Govn't Grant £'000** | **Prudential £'000** | **Capital Receipts £'000** | **Borrowing Approval £'000** | **Revenue £'000** | **External £'000** |
| Adult Social Care | Integrated Community Schemes | 180 | 90 | 90 | 0 | 0 | 0 | 0 | 3 | 177 | 0 | 0 | 0 | 0 |
| | Housing & Technology support for People with Learning Disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Adults Supported Accommodation | 901 | 901 | 0 | 0 | 0 | 0 | 0 | 0 | 901 | 0 | 0 | 0 | 0 |
| | Social Care Capital Grant | 32 | 0 | 32 | 0 | 0 | 0 | 0 | 5 | 27 | 0 | 0 | 0 | 0 |
| | | **1,113** | **991** | **122** | **0** | **0** | **0** | **0** | **8** | **1,105** | **0** | **0** | **0** | **0** |
| Communities, Customer & Commercial Services | ICT Investment Programme | 16,685 | 3,784 | 5,892 | 3,009 | 2,000 | 2,000 | 0 | 0 | 13,940 | 2,538 | 0 | 207 | 0 |
| | Climate Change | 2,191 | 240 | 1,951 | 0 | 0 | 0 | 0 | 0 | 2,191 | 0 | 0 | 0 | 0 |
| | Communities, Customer & Commercial Services Other Schemes | 1,052 | 795 | 257 | 0 | 0 | 0 | 0 | 0 | 840 | 0 | 0 | 212 | 0 |
| | | **19,928** | **4,819** | **8,100** | **3,009** | **2,000** | **2,000** | **0** | **0** | **16,971** | **2,538** | **0** | **419** | **0** |
| Corporate Items | Efficiency Schemes Capitalisation | 6,688 | 1,500 | 2,769 | 2,419 | 0 | 0 | 0 | 0 | 0 | 6,688 | 0 | 0 | 0 |
| | Capital Investment Fund | 20,000 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 0 | 0 | 20,000 | 0 | 0 | 0 | 0 |
| | Managing the funding of the Capital Programme | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,775 | (7,775) | 0 | 0 | 0 |
| | | **26,688** | **1,500** | **7,769** | **7,419** | **5,000** | **5,000** | **0** | **0** | **27,775** | **(1,087)** | **0** | **0** | **0** |
| Education & Skills | All Other school schemes | 40,766 | 9,295 | 21,137 | 10,334 | 0 | 0 | 0 | 39,496 | 0 | 1,270 | 0 | 0 | 0 |
| | | **40,766** | **9,295** | **21,137** | **10,334** | **0** | **0** | **0** | **39,496** | **0** | **1,270** | **0** | **0** | **0** |
| Finance & Human Resources | Finance & Human Resources other schemes | 475 | 95 | 95 | 95 | 95 | 95 | 0 | 0 | 475 | 0 | 0 | 0 | 0 |
| | | **475** | **95** | **95** | **95** | **95** | **95** | **0** | **0** | **475** | **0** | **0** | **0** | **0** |
| Housing, Employment & Infrastructure | Housing Related Schemes | 10,852 | 7,682 | 3,170 | 0 | 0 | 0 | 0 | 6,881 | 3,167 | 804 | 0 | 0 | 0 |
| | Affordable Housing Programme | 9,727 | 627 | 9,100 | 0 | 0 | 0 | 0 | 0 | 9,727 | 0 | 0 | 0 | 0 |
| | Pride In Your High Street | 2,763 | 1,220 | 1,543 | 0 | 0 | 0 | 0 | 0 | 1,805 | 0 | 0 | 958 | 0 |
| | Housing, Employment & Infrastructure other schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | **23,342** | **9,529** | **13,813** | **0** | **0** | **0** | **0** | **6,881** | **14,699** | **804** | **0** | **958** | **0** |
| Neighbourhood & Enforcement Services | Environmental Improvements/ Enhancements | 1,167 | 1,167 | 0 | 0 | 0 | 0 | 0 | 0 | 1,166 | 0 | 0 | 1 | 0 |
| | Ironbridge Gorge Stability | 92 | 92 | 0 | 0 | 0 | 0 | 0 | 0 | 92 | 0 | 0 | 0 | 0 |
| | Newport Innovation & Enterprise Package | 43 | 43 | 0 | 0 | 0 | 0 | 0 | 0 | (225) | 0 | 0 | 0 | 268 |
| | Violence Against Women & Girls | 190 | 65 | 125 | 0 | 0 | 0 | 0 | 0 | 190 | 0 | 0 | 0 | 0 |
| | Mobile Enforcement Hub & CCTV | 9 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 0 |
| | Transport & Highways Schemes | 31,652 | 16,320 | 8,432 | 2,300 | 2,300 | 2,300 | 0 | 13,959 | 17,554 | 0 | 0 | 132 | 7 |
| | | **33,153** | **17,696** | **8,557** | **2,300** | **2,300** | **2,300** | **0** | **13,959** | **18,786** | **0** | **0** | **133** | **275** |
| Policy & Governance | Legal Fees | 379 | 59 | 134 | 62 | 62 | 62 | 0 | 0 | 379 | 0 | 0 | 0 | 0 |
| | Branding Refresh | 22 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 0 | 0 | 0 | 0 |
| | | **401** | **81** | **134** | **62** | **62** | **62** | **0** | **0** | **401** | **0** | **0** | **0** | **0** |
| Prosperity & Investment | Asset Management Plan - General Works & Surveys | 3,776 | 976 | 700 | 700 | 700 | 700 | 0 | 0 | 3,776 | 0 | 0 | 0 | 0 |
| | New Swimming Pool | 8,740 | 25 | 2,700 | 6,015 | 0 | 0 | 0 | 0 | 6,960 | 990 | 0 | 790 | 0 |
| | HE Land Deal | 2,012 | 1,200 | 812 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,012 |
| | HE Liability Sites | 3,238 | 100 | 1,000 | 2,138 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 2,438 |
| | Housing Company - Housing | 103,107 | 10,782 | 40,700 | 30,155 | 16,470 | 5,000 | 0 | 0 | 103,107 | 0 | 0 | 0 | 0 |
| | Land Deal Board Schemes | 1,000 | 30 | 0 | 970 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 |
| | Property Investment Programme | 65,268 | 7,169 | 31,421 | 18,726 | 5,452 | 2,500 | 0 | 0 | 63,032 | 1,350 | 0 | 407 | 479 |
| | Rights of Way | 148 | 148 | 0 | 0 | 0 | 0 | 0 | 0 | 52 | 0 | 0 | 96 | 0 |
| | Stronger Communities | 1,791 | 291 | 1,500 | 0 | 0 | 0 | 0 | 0 | 1,791 | 0 | 0 | 0 | 0 |
| | Get Building Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Towns Fund | 35,168 | 16,288 | 15,290 | 3,590 | 0 | 0 | 0 | 16,840 | 9,857 | 750 | 0 | 0 | 7,721 |
| | Levelling Up Fund | 26,904 | 2,811 | 14,932 | 7,007 | 2,154 | 0 | 0 | 20,000 | 6,904 | 0 | 0 | 0 | 0 |
| | Regeneration Funding | 10,431 | 3,587 | 1,271 | 5,366 | 207 | 0 | 0 | 9,808 | 623 | 0 | 0 | 0 | 0 |
| | Stalled Sites | 924 | 324 | 600 | 0 | 0 | 0 | 0 | 0 | 424 | 500 | 0 | 0 | 0 |
| | Prosperity & Investment other schemes | 12,055 | 2,310 | 9,145 | 200 | 200 | 200 | 0 | 0 | 4,440 | 7,215 | 0 | 0 | 400 |
| | | **274,562** | **46,041** | **120,071** | **74,867** | **25,183** | **8,400** | **0** | **46,648** | **201,766** | **10,805** | **0** | **1,293** | **14,050** |
| | | **420,428** | **90,047** | **179,798** | **98,086** | **34,640** | **17,857** | **0** | **106,992** | **281,978** | **14,330** | **0** | **2,803** | **14,325** |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council Report

## 29 February 2024

## Planned Building Investment Programme 2024/25

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| | |
|---|---|
| **Cabinet Member:** | Cllr Lee Carter – Cabinet Member: Neighbourhood Services, Regeneration and the High Street |
| **Lead Director:** | James Dunn – Director: Prosperity & Investment |
| **Service Area:** | Prosperity & Investment |
| **Report Author:** | Chris Goulson |
| **Officer Contact Details:** | **Tel:** 01952 384302 **Email:** chris.goulson@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decison |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | SMT - 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024 |

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### 1.0 Recommendations for decision/noting:

The Committee is asked to

1.1 Note and recommend to Full Council the approval of the planned building capital investment programme for 2024/25.

### 2.0 Purpose of Report

2.1 To agree the planned building capital investment programme priorities for 2024/25.

## 3.0 Background

3.1 The Asset Management Plan and associated data on property (i.e. condition, suitability, sufficiency, access and asbestos) informs the Council's planned building capital investment programme. The Council has completed condition surveys for operational properties used for the delivery of its services. These are updated on a rolling programme each year. The Council's Asset Management Plan has identified a condition backlog of approximately £6.9m for operational properties (excluding schools) and £16.1m for schools/educational properties. The figure for condition backlog for schools has reduced over recent years, mainly due to the successfully completed Building Schools for the Future Programme, but also due to Academisation.

During 2024/25 more in-depth surveys will continue to be undertaken within operational properties and schools that are under the control of the council. Particular emphasis will continue to be given to health and safety ensuring that the occupants of our buildings are safe.

The planned building capital investment programme as identified in **Appendix A** is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The level of investment included in the Capital Programme of Works 2024/25 is £1,948,000 for Educational assets and £700,000 for all other operational assets. The budget allocations do not take into account the capital investment relating to expansion of schools. In addition to the above capital allocations, schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for maintaining and investing in the school building stock on a day to day basis.

## 4.0 Summary of main proposals

4.1 To identify the proposed planned building capital investment programme for financial year 2024/25, in accordance with Medium Term Financial Strategy 2024/25 to 2027/28

## 5.0 Alternative Options

5.1 The alternative to carrying out the planning building capital investment programme is to do nothing and incur no expenditure. However, the Council would run the risk of buildings condition potentially worsening and ultimately requiring emergency works to ensure the safety of building occupants. Also with regard to schools capital investment funding, the government expects funds to be used in line with published guidance and it is required to report on this expenditure to the Department for Education on an annual basis.

## 6.0 Key Risks

6.1 As stated under Financial Implications section below, confirmation of the 2024/25 education capital allocation for investment has not yet been confirmed. Adjustments to the programme may need to be made if the allocation is below what is expected.

## 7.0 Council Priorities

7.1 Effective management of the Council's planned building capital investment programme helps to support the delivery of all Council priorities as our buildings are used for working, learning, and providing services to all communities within the Borough.

## 8.0 Financial Implications

8.1 Confirmation of the Education capital allocations for 2024/25 have not been received and are expected to be notified shortly by the Department for Education. Appropriate adjustments to the capital programme and the programme of works (**Appendix A**), estimated at £1,948,000 will be made accordingly to ensure spend is within available funds.

Budgetary provision for the Corporate Planned Building Capital Investment Programme £700,000 programme of works for 2024/25 is contained within the capital programme (detailed in **Appendix A**).

## 9.0 Legal and HR Implications

9.1 There are no direct legal implications arising from this report however any repair/ maintenance works will be subject to competitive procurement to ensure best value is achieved for the Council by complying with the Council's Contract Procedure Rules and any applicable statutory requirements. In addition, legal advice must be sought in relation to any Health and Safety or other similar matters should they become apparent during the year.

## 10.0 Ward Implications

10.1 The Wards in which proposed works are to be undertaken are detailed in **Appendix A**.

## 11.0 Health, Social and Economic Implications

11.1 Maintaining buildings ensures that Council Services are delivered efficiently and with service continuity. Many of the key services are delivered from the Council's property portfolio and are the first key point of contact with our customers.

## 12.0 Equality and Diversity Implications

12.1 Where possible, as part of the planned building capital investment funding, improvements to accessibility will be carried out. Where improvements to existing facilities are being undertaken, Equalities Issues (i.e. baby changing facilities) are also included as part of the scheme. This allows the Council to increase access to public buildings for people with disabilities.

## 13.0 Climate Change and Environmental Implications

13.1 Environmental improvements are incorporated into schemes where appropriate, in an aim to reduce the Council's carbon emissions in accordance with the Council's Emergency Climate Plan.

## 14.0 Background Papers

1 Asset Management Plan

## 15.0 Appendices

A Education and Corporate Planned Building Capital Investment Programme 2024/25

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Finance | 30/11/2023 | 22/12/2023 | DR |
| Legal & Democracy | 30/11/2023 | 02/01/2024 | EH |
| Director | 02/01/2024 | 05/01/2024 | JD |

Telford & Wrekin Co-operative Council

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## APPENDIX A - Education Planned Building Capital Investment Programme 2024/25

| Asset | Description of Works | Estimated Budget | Corporate Priorities | Ward |
|---|---|---|---|---|
| Burton Borough | Contribution to Hall Extension | £150,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Newport South |
| Donnington Wood Infant | Window Replacement | £165,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Donnington |
| Donnington Wood Junior | Kitchen Refurbishment | £100,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment. | Donnington |

| | | | | |
|---|---|---|---|---|
| | | | • A community-focused, innovative council providing efficient, effective and quality services. | |
| Dothill Primary | Boiler House Refurbishment | £120,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Shawbirch and Dothill |
| Edgmond St Peter's Primary | Roof Works | £20,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Edgmond |
| Meadows Primary | Boiler Replacement | £150,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Ketley |

| | | | | |
|---|---|---|---|---|
| Muxton Primary | Remedial Works to Boiler House | £35,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Muxton |
| Newport Infant | Window Replacement | £75,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Newport South |
| Newport Junior | Window Replacement | £173,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Newport South |
| Southall School | Window Replacement | £60,000 | • Every child, young person and adult lives well in their community. | Dawley and Aqueduct |

| | | | | |
|---|---|---|---|---|
| | | | • Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | |
| Wombridge Primary | Replacement Windows | £115,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Oakengates and Ketley Bank |
| Various Schools | Asbestos Management - To undertake landlord responsibility asbestos surveys within property assets and any subsequent management removals. Where removals are required these will be prioritised using the Asbestos Management survey data. | £75,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |
| Various Schools | Data Updates - to update the asset management data. This will include condition surveys and updated drawing/floor plans of buildings as and when upgrades are carried out. | £50,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing | Various |

| | | | | |
|---|---|---|---|---|
| | | | efficient, effective and quality services. | |
| Various Schools | External Redecoration (rolling programme) | £50,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |
| Various Schools | Demountable Structural Surveys | £10,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |
| Various Schools | Access Works | £200,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services | Various |

| | | | | |
|---|---|---|---|---|
| Various Schools | Fire Risk Assessment Prioritisation /Fire Door Replacement | £400,000 | • Every child, young person and adult lives well in their community.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services | Various |
| | **TOTAL** | **£1,948,000** | | |

## Corporate Planned Building Capital Investment Programme 2024/2025

| Asset | Description of Works | Estimated Allocated Budget | Corporate Priorities Contributed to proposals | Ward |
|---|---|---|---|---|
| Darby House | Water Tanks | £16,500 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Ketley and Overdale |
| Darby House | Replacement Emergency Lighting | £50,000 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Ketley and Overdale |
| Lakewood Court | Fire Door Replacement | £42,000 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Shawbirch and Dothill |
| Various Properties | Asbestos Removals - To undertake landlord responsibility asbestos | £35,000 | • All neighbourhoods are a great place to live. | Various |

| | | | | |
|---|---|---|---|---|
| | surveys within property assets and any subsequent management removals. Where removals are required these will be prioritised using the Asbestos Management survey data. | | • Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | |
| Various Properties | Data Updates - to update the asset management data on operational assets, and improvements to the asset database, plus Fire Risk Assessment costs. | £95,000 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |
| Various Properties | Fire Risk Assessment Prioritisation /Fire Door Replacement | £300,000 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |
| Contingency | Unforeseen issues which may arise such as a mineshaft opening or a retaining wall collapse | £161,500 | • All neighbourhoods are a great place to live.<br>• Protect our natural environment.<br>• A community-focused, innovative council providing efficient, effective and quality services. | Various |

| | | | | |
|---|---|---|---|---|
| | **TOTAL** | **£700,000** | | |

Please note: - the costs shown in the above tables are estimates. Actual costs will be established by competitive tendering in accordance with the Councils Tendering Procedures. All figures are inclusive of Project Management/Design Fees

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# Telford & Wrekin Council

# Corporate
# Asset Management Plan

# 2024-2028

The Corporate Asset Management Plan is a strategic document which will help inform decisions relating to service delivery, and therefore ensure the most effective contribution is made to facilitate the delivery of improved public services and benefits to local communities.

**CONTENTS**


**1.0 Statement of Context**

Asset Management Plan – Aims and Objectives (Covering Operational and Investment properties together with land owned by TWC)

**2.0 Data Management**

Core Data

**3.0 Programme Development & Implementation**

**4.0 Operational Assets (and Other Assets)**

Building Rationalisation, New Ways of Working, One Public Estate

**5.0 Asset Details & Performance**
Statement of Assets

## 1.0 Statement of Context

It is recognised that continued growth and development of the Telford & Wrekin area requires that services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management.

Growth is also a key element of the Council's budget strategy going forward as we seek to take advantage of the government's initiatives to give local authorities greater control of their areas through the New Homes Bonus and retention of business rates. As a New Town, with approximately 100 hectares zoned for commercial development, plus zoned residential development land as yet undeveloped, Telford is well placed and these changes will facilitate growth as part of the budget strategy.

The Asset Management Plan covers all buildings and land owned by The Council but excludes Highways and drains. It sets out our proposals to effectively manage our assets in this context and focuses specifically on the following areas;

- Property and associated land used for operational purposes
- Property Investment Portfolio (property held for investment purposes)
- Land (held for future disposal or future operational use)
- Public Realm Land

The Land Strategy, Operational Property Strategy and PIP Strategy all interlink to form a comprehensive approach to Asset Management covering Council property assets within Telford.

**Asset Management Plan – Aims and Objectives:**

- Ensure assets are fit for purpose
- Maximise the use and efficiency of assets
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Ensure Asset Management decisions are co-ordinated and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess property performance and to support and facilitate the changing patterns of service delivery
- Use land and buildings to facilitate the "growth" agenda and be the enabler of regeneration
- Optimise and prioritise the level of property investment, to meet the Council's current and future service needs
- Support the delivery of the Council's cost improvement plans e.g. in Adults/Children services
- Support the One Public Estate agenda alongside other land-owning public sector organisations and to work with other stakeholders and partners to rationalise services and resources, unlock development land, reduce running costs, create jobs, homes, and revenue streams.

## 2.0 Data Management

The ability to make informed property decisions is dependent upon collecting, analysing and updating accurate data.

**Core Data**

All Council property data is recorded on a Property Management System, which is designed to accommodate all forms of property data in a central location. The Property Management software brings all the main functions such as Asset Management, Capital Projects, Service Asset Register and Helpdesk functions together into one integrated solution. This provides greater exchange of information and a streamlined property database linked directly to a customer facing property helpdesk. The software is internet browser based, and provides a direct link to customers and stakeholders, enabling them to access data and information in an easy to use environment.

- <u>The Asset Register:</u>

The Council maintains a central Asset Register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements. A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified. The Property Investment Portfolio is re-valued annually as part of the Asset Register valuation.

- Condition Data

Condition Surveys of all Schools and Operational Buildings have been completed and are re-assessed as part of an ongoing re-survey process, as part of a 5 year rolling programme. Property data is captured across all service areas and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented. Similarly, this enables informed decisions on investment disposals.

- Asbestos

Comprehensive asbestos information is held incorporating 'Type 2 Enhanced Surveys' as part of the Property database, ensuring that quality, up to date information is retained. In accordance with the Council's Asbestos Management Plan, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council targets available resources at priority items and manages the risks on site.

- Measured Surveys

Accurate, comprehensive, measured building surveys are available for all properties and are used in various interchangeable formats. All new properties which have been designed by the in-house team have been modelled electronically using the latest design packages, the formats of which allow them to be interchangeable when needed. This will assist in the future integration of Building Information Modelling advances within the construction industry into everyday Facilities Management processes.

## 3.0 Programme Development and Implementation

### The Decision Making Process

The information contained in the Asset Management System facilitates informed, property related decisions. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, sustainability sufficiency and asbestos, in the following areas (list not exhaustive):

- Review of office accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- Property Rationalisation
- Borough Towns and Local Centre Regeneration
- Housing Investment
- Commercial Development

### Maintenance Programme

The planned Maintenance Programme for 2024/25 will be submitted to Cabinet for approval in February 2024. This programme is set in accordance with Service Priorities and Plans linked to Condition Surveys. Health & Safety priorities take precedence and following Grenfell whilst TWC does not own or have responsibility for high rise residential buildings reviewing our Fire Risk Assessments has been a priority. As a result an extensive programme of fire stopping and replacement of fire doors is under way.

### Formulating the Property Related Capital Programme and Key Issues

In order to develop the capital programme an appraisal is undertaken which considers; reduced operating costs, regeneration factors, service and commercial benefits, geographic

and deprivation indices, alternate premises, sharing premises and partnership with the private sector or other public sector partners. Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project, than standard economic methods that focus solely on capital costs or operating-related costs in the very short term. Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This demonstrates that the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

Telford & Wrekin Council actively considers sustainability as part of asset provision, use and management and a Sustainable Procurement Strategy is embedded into our commissioning approach. We are innovative in ensuring sustainability is part of all new-build and refurbishment schemes.

**Funding**

Planned Capital expenditure in 2024/25 for corporate buildings is £700,000 and educational properties is £1,948,000. This does not include funding from other sources such as grants and section 106 monies. These additional funding streams have gradually enabled us to reduce the back log.

**Key issues addressed in finalising the 2024/25 Capital Investment Programme include:**

- The delivery of capital projects to underpin and support improved service delivery
- Property rationalisation - planned investment in retained buildings to reduce maintenance back log and property disposals
- Investment in energy/heating and lighting to reduce running costs and to support work on climate change/CRC
- Regeneration – support and project management to all regeneration and investment projects
- Repair and maintenance programmes for the PIP to maintain income levels
- Supporting the delivery of the Council's budget and cost improvement plans

## 4.0 Operational Assets

### Property Rationalisation/ New Ways Working

### Changing Work Patterns and Culture

In order to deliver ongoing savings we have continually worked with Assistant Directors and Service Delivery Managers to ensure new services and teams are co-located to deliver maximum synergies and also reduce the space occupied to deliver further savings.

The Covid lockdown significantly accelerated this programme and since lockdown was eased the Council has developed a model of hybrid working. This involves teams being in the office ranging from 1 day a week through to 5 days dependent upon their type of service and customer's needs. This has produced further savings with the vacation of Addenbrooke House and Wellington Civic Offices equating to around 4000 square meters. The Council's main accommodation is now concentrated in 3 main buildings Southwater One, Darby House and Granville House.

We are continuing to work with other public sector bodies around the One Public Estate Agenda. This has resulted in the letting of Wellington Civic Offices to the NHS.

## 5.0 Asset Details & Performance

The Statement of Assets is found in Appendix 1.

Key measures against condition and space utilisation are contained in Appendix 2.

With reducing budgets, maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. However, the Academies programme has reduced the school maintenance back log as new and refurbished schools have been delivered as new Academies. On the Operational side, Property Rationalisation has also reduced the backlog of outstanding maintenance as services and staff are concentrated in modern buildings and old outdated buildings, are disposed of.

Energy use is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco-friendly initiatives such as bio mass boilers, increased insulation etc. this has been offset by increasing use of technology powered by electricity in buildings.

Similarly, space utilisation should further improve from current standards as Property Rationalisation continues.

## Appendix 1 - Fixed Assets Utilised by the Council

| Group/Category | OP / NON-OP / Other | Total Land Area | Total Value |
|---|---|---|---|
| Allotment | Operational | 11.8 Ha. | £0 |
| Amenity Site - LAND | Operational | 5.5 Ha. | £0 |
| Assets Held For Sale - OP | Operational | 0.5 Ha. | £0 |
| Bus Station - LAND | Operational | 0.7 Ha. | £0 |
| Car Park - LAND | Operational | 17.6 Ha. | £0 |
| Cemetery | Operational | 7.3 Ha. | £0 |
| Changing Rooms - LAND | Operational | 11.0 Ha. | £0 |
| Child Dev Centre | Operational | 0.3 Ha. | £1 |
| Closed Facility - LAND | Operational | 8.5 Ha. | £0 |
| Community Centre - LAND | Operational | 0.2 Ha. | £0 |
| Community Centre - PIP | Operational | 0.8 Ha. | £87,421 |
| Day Centre - LAND | Operational | 0.3 Ha. | £284,890 |
| Elderly Persons Home - LAND | Operational | 1.2 Ha. | £0 |
| Group Home - LAND | Operational | 0.3 Ha. | £10 |
| Homeless Accommodation - LAND | Operational | 0.9 Ha. | £34 |
| Hostel - LAND | Operational | 0.2 Ha. | £0 |
| Telford Housing First - LAND | Operational | 0.2 Ha. | £0 |
| Ice Rink - LAND | Operational | 1.0 Ha. | £0 |
| Industrial Estates & Units - LAND | Operational | 0.2 Ha. | £876,220 |
| Industrial Estates & Units - Op | Operational | 0.0 Ha. | £893,110 |
| Leisure Centre - LAND | Operational | 40.3 Ha. | £0 |
| Library - LAND | Operational | 0.5 Ha. | £0 |
| Operational Offices - LAND | Operational | 3.7 Ha. | £392,881 |
| Outdoor Activity Centre - LAND | Operational | 3.6 Ha. | £0 |
| Play Area | Operational | 26.6 Ha. | £0 |
| Public Toilets - LAND | Operational | 0.3 Ha. | £0 |
| Refugee Accommodation - LAND | Operational | 0.2 Ha. | £0 |
| Registrars - LAND | Operational | 0.1 Ha. | £0 |
| Residential Home - LAND | Operational | 0.7 Ha. | £193,000 |
| Schools - Academy - LAND | Operational | 67.1 Ha. | £0 |
| Schools - Academy PFI - LAND | Operational | 9.5 Ha. | £0 |
| Schools - Children´s Centres & Nurseries - LAND | Operational | 0.4 Ha. | £0 |
| Schools - Primary - LAND | Operational | 48.1 Ha. | £2 |
| Schools - Primary Foundation - LAND | Operational | 1.1 Ha. | £0 |
| Schools - Primary Trust - LAND | Operational | 11.5 Ha. | £0 |
| Schools - Primary VA - LAND | Operational | 6.0 Ha. | £0 |
| Schools - Primary VC - LAND | Operational | 13.4 Ha. | £0 |
| Schools - PRU - LAND | Operational | 0.6 Ha. | £0 |
| Schools - Secondary - LAND | Operational | 11.6 Ha. | £0 |
| Schools - Special - LAND | Operational | 3.2 Ha. | £0 |

| | | | |
|---|---|---|---|
| Schools - Special PFI - LAND | Operational | 1.2 Ha. | £0 |
| Ski Centre - LAND | Operational | 0.5 Ha. | £0 |
| Theatre - LAND | Operational | 0.2 Ha. | £0 |
| Traveller Site - LAND | Operational | 7.2 Ha. | £0 |
| Visitor Information Centre | Operational | 0.0 Ha. | £0 |
| Woodland | Operational | 72.5 Ha. | £0 |
| Car Park - PIP | Non-Op. Generally PIP | 2.0 Ha. | £1,384,800 |
| Depot - PIP | Non-Op. Generally PIP | 1.7 Ha. | £788,982 |
| Industrial Estates & Units - PIP | Non-Op. Generally PIP | 48.4 Ha. | £74,063,888 |
| Leased Out Property - PIP | Non-Op. Generally PIP | 5.0 Ha. | £16,025,304 |
| Leased Out Property - Non PIP | Non-Op. Generally PIP | 15.7 Ha. | £1 |
| Miscellaneous Ground Rents | Non-Op. Generally PIP | 0.2 Ha. | £27,481 |
| Miscellaneous Ground Rents - PIP | Non-Op. Generally PIP | 1.8 Ha. | £370,261 |
| Miscellaneous Sites - LAND | Non-Op. Generally PIP | 81.0 Ha. | £0 |
| Miscellaneous Sites - PIP | Non-Op. Generally PIP | 29.9 Ha. | £1,089,930 |
| Retail Unit - PIP | Non-Op. Generally PIP | 4.2 Ha. | £23,658,923 |
| Sites for Future Sale (>1 yr) - PIP | Non-Op. Generally PIP | 39.8 Ha. | £3,767,371 |
| Sites for Future Sale (>1yr) - LAND | Non-Op. Generally PIP | 47.4 Ha. | £0 |
| Golf Course | Assets Listed by Site Area | 73.0 Ha. | £0 |
| Land | Assets Listed by Site Area | 28.8 Ha. | £0 |
| Open Space | Assets Listed by Site Area | 62.0 Ha. | £2,300 |
| Other Land | Assets Listed by Site Area | 56.3 Ha. | £8,409 |
| Other Land - PIP | Assets Listed by Site Area | 31.3 Ha. | £380,048 |
| Park | Assets Listed by Site Area | 199.5 Ha. | £0 |
| Public Playing Field | Assets Listed by Site Area | 53.0 Ha. | £3 |
| Wildlife Park | Assets Listed by Site Area | 22.6 Ha. | £0 |
| Regeneration Site - LAND | Other | 0.2 Ha. | £5,400,000 |
| Deleted Asset | Other | 47.5 Ha. | £0 |
| Disposed Asset | Other | 164.0 Ha. | £0 |
| Merged Asset | Other | 124.2 Ha. | £0 |

| | | |
|---|---|---|
| Total Records | 1,538.41 Ha. | £129,695,270 |
| Less: Disposed, Deleted & Merged Assets | 336 | 0 |
| **TOTAL ASSETS HELD:** | **1,202.64 Ha.** | **£129,695,270** |

**APPENDIX 2**

**Required maintenance by cost expressed as a total cost in Priority levels 1–3**

Priority 1–3 covers a 5 year maintenance period. The total cost of priority level 1 – 3 works for all Operational Property (including schools) is £23,064,833.

T&WC figure is split as follows:

School Property £16,138,320
Operational Property £6,926,513

Previous year comparisons

| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|
| Schools | P1-P3 | £18,434,265 | £18,182,752 | £18,267,205 | £17,112,347 | £16,612,040 | £16,138,320 |
| Operational | P1-P3 | £5,417,208 | £5,680,437 | £5,629,287 | £5,177,048 | £6,825,859 | £6,926,513 |

School Condition Surveys do not include all the recent investment of circa £2.8m in 2023/24 until the survey updates have been completed. Surveys will continue to be rolled out over the following year and will reflect this investment in future updates.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council

## 29 February 2024

## Highways & Transport Capital Investment Programme 2024 - 2028

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| | |
|---|---|
| **Cabinet Member:** | Cllr Lee Carter – Cabinet Member: Place (The Economy & Neighbourhood Services) |
| **Lead Director:** | Dean Sargeant – Director: Neighbourhood & Enforcement Services |
| **Service Area:** | Highways, Engineering & Project Delivery |
| **Report Author:** | Adam Brookes - Service Delivery Manager – Highways, Engineering & Project Delivery |
| **Officer Contact Details:** | **Tel:** 01952 384645 **Email:**adam.brookes@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024<br>Full Council – 29 February 2024 |

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**1.0 Recommendations for decision/noting:**

It is recommended that Council:

1.1 Approve the planned Highways and Transport Capital investment programme for 2024/25 – 2027/28.

1.2 Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within the overall approved budget limits to the Director: Neighbourhood & Enforcement Services in consultation with the Cabinet Member for Place (The Economy & Neighbourhood Services.)

## 2.0 Purpose of Report

2.1 This report identifies the proposed Highways and Transport Capital Investment Programme for financial years 2024/25 – 2027/28, which aims to ensure Telford & Wrekin Council continues to have well maintained highways. In line with the Council's plan to Protect, Care and Invest in our borough, a significant investment of £41.96m is proposed over the next four years to maintain roads, footpaths, bridges and other structures.

## 3.0 Background

3.1 In 2023, Telford & Wrekin Council was ranked first in the West Midlands for overall satisfaction in relation to the Highways and Transport Service according to the National Highways and Transport (NHT) Survey.

3.2 The Council's adopted Asset Management Policy & Strategy sets out the future vision for highways in Telford & Wrekin: The vision is as follows:-

*'We will keep Telford moving by delivering a safe, efficient and sustainable highway to meet the needs of communities and businesses, providing access to jobs and services, supporting health and wellbeing and catering for future growth and maximising and managing investment into the highway network to support the local economy, investing in new technologies and our workforce to promote innovation and creativity. Consultation, collaboration and community engagement will be the key to our success.'*

3.3 The adopted asset management policy forms one of the essential aspects to the Council being a 'band 3' authority in order to secure highways incentive funding alongside the needs funding from the Department for Transport. The Council was assessed as a band 3 authority for 23/24 and work is continuing to mature our asset management strategies to maintain this level thereby securing the maximum level of funding.

3.4 Telford continues to face the need for continuing investment into infrastructure to support our residents and communities and to make the Borough attractive for securing inward investment, in turn helping to create new jobs. The New Town status of Telford means that much of the infrastructure is deteriorating at a similar rate and is now coming to the end of its useful life. This presents a challenge in prioritising investment into the highway network but this challenge is managed through our effective approach to asset management.

3.5 In 2023/24, over £16.5m was invested in to the Boroughs Highways and Transport infrastructure. The benefits of this investment were highlighted in the 2023 NHT survey when it was acknowledged that Telford's roads continue to be some of the best condition regionally. Significant improvements have been made to the overall condition of roads and footpaths and major improvements made to drainage, structures, street furniture and road markings.

## 4.0 Summary of main proposals

4.1 The 2024/25 – 2027/28 Capital Investment Programme outlined below totals £41.962 million and includes indicative grants from the Department for Transport (DfT) as shown in Table 1 and Table 2. When allocations are confirmed by the DfT, the overall Highways and Transport Capital Programme may need to be updated accordingly.

4.2 For 2024/25, the proposal is to invest £8.98m as follows:

- £4.861m into roads and footpaths;
- £0.555m into Structures;
- £1.2m into drainage and council owned assets;
- £0.688m into street furniture, lighting and road markings; and
- £1.676m into sustainable transport, safety schemes and future scheme development.

4.3 In line with the Council's plan to Protect, Care and Invest in our Borough, a further investment from the council of £32.982m is proposed for 2025/26 – 2027/2028. This outlay will allow for the following investments during the period:

- £19.782m into roads and footpaths;
- £3.3m into Structures;
- £3.3m into drainage and council owned assets;
- £2.250m into street furniture, lighting and road markings; and
- £4.350m into sustainable transport, safety schemes and future scheme development.

4.4 The planned investment over the next four financial years will significantly improve the current condition of the Council's highway assets as well as upgrading vital infrastructure, reducing risks to the public and facilitating sustainable transport.

**Table 1 – Summary of Funding Sources**

| **Source** | **2024-25**<br><br>£'000 | **2025-26**<br><br>£'000 | **2026-27**<br><br>£'000 | **2027-28**<br><br>£'000 | **Total 4 - Year Programme £'000** |
|---|---|---|---|---|---|
| 4-Year Budget | | | | | |
| **Council Capital** | | | | | |
| Highways maintenance and improvements | 2,675 | 2,300 | 2,300 | 2,300 | 9,575 |
| Integrated Transport | 500 | 0 | 0 | 0 | 500 |
| **Total Council Capital** | **3,175** | **2,300** | **2,300** | **2,300** | **10,075** |
| **External Funding** | | | | | |
| Highways maintenance and improvements * | 4,859 | 7,748 | 7,748 | 7,748 | 28,103 |
| Integrated Transport* | 946 | 946 | 946 | 946 | 3,784 |
| **Total External Funding Capital** | **5,805** | **8,694** | **8,694** | **8,694** | **31,887** |
| **Total Funding** | **8,980** | **10,994** | **10,994** | **10,994** | **41,962** |

*Unconfirmed subject to Department for Transport Confirmation and remaining a Band 3 Authority.

**Table 2 – Summary of Highways & Transport Capital Programme**

| Highway Programme Area | 2024-25 | 2025-26 | 2026-27 | 2027-28 | Total 4-Year Programme |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | **£'000** |
| **Maintenance of Existing Assets** | | | | | |
| Carriageway Maintenance | 4,441 | 6,000 | 6,000 | 6,000 | 22,441 |
| Footpath maintenance | 420 | 594 | 594 | 594 | 2,202 |
| Structures maintenance | 555 | 1,100 | 1,100 | 1,100 | 3,855 |
| Street lighting maintenance | 153 | 250 | 250 | 250 | 903 |
| Drainage Maintenance | 600 | 800 | 800 | 800 | 3,000 |
| Street furniture | 370 | 250 | 250 | 250 | 1,120 |
| Road Markings | 165 | 250 | 250 | 250 | 915 |
| Council Owned Assets | 600 | 300 | 300 | 300 | 1,500 |
| **Maintenance Programme sub-total** | **7,304** | **9,544** | **9,544** | **9,544** | **35,936** |
| **Transport & Major Schemes (Improving and Amending the Highway Network)** | | | | | |
| Sustainable Transport Improvements | 750 | 500 | 500 | 500 | 2,250 |
| Safety Schemes | 730 | 700 | 700 | 700 | 2,830 |
| Transport Modelling | 196 | 250 | 250 | 250 | 946 |
| **Transport & Major Schemes-sub-total** | **1,676** | **1,450** | **1,450** | **1,450** | **6,026** |
| **Total Investment Programme** | **8,980** | **10,994** | **10,994** | **10,994** | **41,962** |

## 5.0 Alternative Options

5.1 The allocations outlined in Section 4 of this report provide the optimum outcomes in relation to managing the various Highway and Transport Assets. However, the allocations set out can be adjusted within the overall allocated budget based on competing priorities and in consultation with the Cabinet Member for Place (The Economy & Neighbourhood Services).

## 6.0 Key Risks

6.1 The proposals set out in Section 4 provide the most efficient use of the overall budget allocation. Allocations may need to be adjusted within the overall budget should unforeseen priorities become apparent over the four year period.

6.2 The allocations set out in Section 4 are based on indicative allocations by the Department for Transport and assume the Council remain a Band 3 Local Authority in respect of the Incentive element of the Highways Maintenance Block funding.

6.3 In addition to this, inflationary rises may result in adjustments of budget allocations to ensure priority projects are delivered.

6.4 Other key risks are covered in detail in other sections of this paper.

## 7.0 Council Priorities

7.1 Effective management of the Council's Treasury portfolio helps support the Council's overall financial position through minimising borrowing costs and optimising investment income whilst following the principles of Security, Liquidity and Yield; and therefore supports the delivery of all Council priorities.

7.2 This paper details the planned investment in Highways and Transport services over the next four years. Effective management of the Counci's Highways and Transport assets ensures that Telford & Wrekin Council continues to have well maintained highways and delivers the Council Priority that All neighbourhoods are a great place to live.

## 8.0 Financial Implications

8.1 Where appropriate these are detailed in the body of the report and the appendices.

## 9.0 Legal and HR Implications

9.1 There are no direct legal implications arising from this report.

9.2 A number of general and specific statutory powers and duties are conferred on the Council regarding its highway network management, maintenance and improvement functions. In particular, the Council has a duty to maintain the Borough's publicly maintainable highways and a duty to assert the rights of the public to use and enjoy those highways. The capital investment programme is a key Council response to its powers and duties. Any works must be properly procured and managed in accordance with financial and contract procedure rules.

## 10.0 Ward Implications

10.1 This report impacts all wards.

## 11.0 Health, Social and Economic Implications

11.1 The Economic Climate has direct relevance to Treasury Management and is covered in detail in the report.

11.2 The proposed investment over the next four years will deliver a number of active travel schemes and the provision of other modes of sustainable transport. This will promote active and healthy lifestyles as well as improving access to local communities, schools businesses and places of work. It is recognised that a good transport network is essential for a successful economy and the planned investment will ensure this network continues to be well maintained.

## 12.0 Equality and Diversity Implications

12.1 Where possible, as part of the capital programme, improvements to accessibility will be carried out, such as, but not limited to, the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility.

12.2 A well maintenance highways and transport network provides a safe and effective access to all areas of the Borough providing suitable access to jobs and other services.

## 13.0 Climate Change and Environmental Implications

13.1 Environmental improvements are incorporated into schemes wherever appropriate in order to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. Again, by identifying links with other programme the Council will aim to take a Total Place approach when delivering highways schemes, thereby ensuring that both environmental and highways issues are addressed.

13.2 The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions. Investment into Sustainable transport also improves access and quality of modes other than cars. There are a number of actions on the Council's Climate Action Plan that the Highways & Transport services are supporting to deliver on the Council's priorities.

## 14.0 Background Papers

14.1 The Council's Highway Asset Management Policy and Strategy sets out 12 key objectives to ensure the highway and transport network is well maintained and meets the need of the Boroughs residents.

## 15.0 Appendices

15.1 None

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Legal | 08/01/2024 | 08/01/2024 | RP |
| Finance | 08/01/2024 | 08/01/2024 | DR |
| Director | 08/01/2024 | 08/01/2024 | DRS |

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council Report

## 29 February 2024

## 2024/25 Investment Strategy

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| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources. |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Pauline Harris, Corporate Finance Manager |
| **Officer Contact Details:** | Tel: 01952 383701 Email: pauline.harris@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | 17 January 2024 |
| **Report considered by:** | SMT - 16 January 2024<br>Business Briefing - 25 January 2024<br>Cabinet - 15 February 2024<br>Full Council – 29 February 2024 |

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### 1.0 Recommendations for Decision/Noting

It is recommended that Members :

1.1 Approve the Investment Strategy for 2024/25

### 2.0 Purpose of Report

2.1 The strategy gives an overview of the Council's non-treasury investments, outlining the contribution they make towards service delivery objectives, risk management arrangements and liquidity.

2.2 The strategy also includes a number of indicators which provide context and proportionality.

## 3.0 Background

3.1 The 2024/25 investment strategy meets the requirements of statutory guidance issued by the government. It focuses on non-treasury investments i.e. investments made to support local public services and commercial investments which primarily deliver service priorities but also provide a return to the Council.

## 4.0 Summary of main proposals

4.1 The Investment Strategy is attached at Appendix A.

## 5.0 Alternative Options

5.1 Not Applicable.

## 6.0 Key Risks

6.1 Risks and opportunities are considered in the Strategy.

## 7.0 Council Priorities

7.1 Service and Commercial investments deliver benefits to the Community as their primary objective; as well as generating income which supports the Council's overall financial position and delivery of front line services and therefore the delivery of all policy objectives.

## 8.0 Financial Implications

8.1 The financial implications arising from the Investment Strategy are included in the 2024/25 Medium Term Financial Strategy Report.

## 9.0 Legal and HR Implications

9.1 The Investment Strategy has to comply with DLUHC Investment Guidance. Legal advice will be provided on an ongoing basis in relation to any specific proposals as they are brought forward.

## 10.0 Ward Implications

10.1 Borough Wide

## 11.0 Health, Social and Economic Implications

11.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 12.0 Equality and Diversity Implications

12.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 13.0 Climate Change and Environmental Implications

13.1 Implications are covered in the individual papers within the overall Medium Term Financial Strategy suite of papers.

## 14.0 Background Papers

1 2024/25 Treasury Strategy
2 2024/25 Prudential Indicator Report
3 Capital Strategy
4 Medium Term Financial Strategy

## 15.0 Appendices

Appendix A Investment Strategy

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Director | 16/01/2024 | 16/01/2024 | MLB |
| Finance | 16/01/2024 | 16/01/2024 | PH |
| Legal | 23/01/2024 | 23/01/2024 | RP |

**APPENDIX A**

# INVESTMENT STRATEGY OVERVIEW – 2024/25

## 1.0 INTRODUCTION

**1.1** Investments made by local authorities can be classified into one of two main categories: **investments made for treasury management purposes** and **other investments.**

- **Treasury Management Investments** - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure, known as **treasury management investments**. Treasuring Management Investments are covered in more detail in the separate Treasury Management Strategy report within the Medium Term Financial Strategy suite of papers.

- **Other Investments –** these include investment to support local public services by lending to or buying shares in other organisations, (**service investments**), and investments to earn income (known as **commercial investments)** but note, in Telford & Wrekin the main purpose of these investments is to deliver service benefits although they may also deliver a net income stream to the Council.

**1.2** This investment strategy for 2024/25, meets the requirements of statutory guidance issued by the government, and focuses on the second of these categories. The Council must not, and will not, borrow to invest primarily for financial return.

**1.3** Reducing dependency on Government Grants is an important part of our financial strategy and we have actively sought out opportunities that deliver a range of service objectives but which, in some cases also provide some net income to the Council. Any additional income generated helps protect front line services and delivers the Council's priorities. Invest-to-Save schemes such as the solar farm or the Housing Investment Programme and investment in the Property Investment Portfolio importantly deliver wider environmental, social or economic benefits and also earn a surplus which can be used to help protect front line services as the surplus generated helps to reduce the impact on the revenue budget of Government cuts to our grants. The Council will, however, carefully assess each potential new investment through a proper due diligence and business case process to ensure that it does not expose the Council to an unacceptable level of risk either on an individual basis or when considering the entire investment portfolio of the Council.

## 2.0 BACKGROUND

**2.1** Statutory guidance on Local Government Investments sets out the requirements that local authorities are required to "have regard to" with respect to Investments.

**2.2** The definition of investment covers all of the financial assets of a local authority together with the non-financial assets an organisation holds. This includes investments that are not managed as part of the normal treasury management delegations.

**2.3** The Council should prepare at least one Investment Strategy each year which should be approved by Full Council. The Strategies should disclose the contribution that all **other** investments make towards the service delivery objectives and/or place making role of the local authority. They should also present the total risk exposure from both treasury management and other investments.

**2.4** There should be a range of information, including how investments are funded and returns.

**2.5** For Telford & Wrekin Council, Treasury Management Investments are covered in the Treasury Management Strategy and Other investments are covered in the Investment Strategy (this document).

## 3.0 TREASURY MANAGEMENT INVESTMENTS

**3.1** The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to normally fluctuate between £10m and £25m during the 2024/25 financial year. There may be circumstances where market conditions favour borrowing and investments will exceed £25m on a short-term basis from time to time due to differing maturity dates or certain periods of the year when markets are less liquid and it is appropriate to hold more cash investments; further, the receipt of grant funding, may result in investments being higher at points during the year.

**3.2** Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities as part of the Council's overall sound financial management arrangements.

**3.3** **Further details:** Full details of the Authority's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy, also on this agenda.

## 4.0 SERVICE INVESTMENTS : LOANS

**4.1** The Council has granted loans to Nuplace Ltd, its wholly owned company, AFC Telford, Ironbridge Gorge Museum Trust and Telford Hockey Club. Each makes a valuable contribution to the community, delivering services and align with the Council's objectives:

| | |
|---|---|
| Nuplace | Nuplace constructs and manages the delivery of private and affordable residential property for rental. Through Nuplace, the Council is increasing the quality of the private rented sector provision, regenerating brownfield land sites and stimulating economic growth. |
| IGMT | IGMT is a key contributor to the local economy and tourism. The Trust also provide high-quality education services for all ages, volunteer opportunities and support for inward-investment into the Borough. |
| AFC Telford | AFC Telford provide opportunities to enhance community and club sport, leisure and learning facilities in the Borough. |
| Telford Hockey Club | The Hockey Club is providing a community use hockey pitch in the borough which increases local opportunities to take part in healthy sporting activity. The Hockey Club has also agreed to provide 100 hours free hire and 100 hours of subsidised coaching for youth sport at the new hockey pitch. |

**4.2** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. Loans granted are considered on an individual basis, with the appropriate approvals, and include safeguards to minimise the Council's risk:

| | |
|---|---|
| Nuplace | The company is delivering an appreciating asset i.e. houses and ultimately the proceeds from the sale of some or all of these assets could repay the loan. |
| IGMT | The loan agreement includes a financial guarantee from The Ironbridge (Telford) Heritage Foundation Limited, which covers the outstanding amount of the loan. This loan was amended during 2021/22 to include a repayment holiday until January 2024 due to |

| | |
|---|---|
| | the impact of coronavirus; and in July 2023 approval was granted to extend the loan period for 2 years to support IGMT. |
| AFC Telford | The Council owns the freehold of the ground; the loan was granted to fund a new fire alarm system at the ground. |
| Telford Hockey Club | There is no financial guarantee for this loan. However, benefits from the new pitch already delivered and the surrender of the Hockey Club legal interest in the pitches at the Town Park are considered significant benefits. |

**4.3** In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

***Table 1: Loans for service purposes in £ millions***

| Category of Borrower | Balance Due 31.3.2023 [Net figure in accounts] | Estimated Balance Due 31.3.24 | Estimated Balance Due 31.3.25 | Approved Limit |
|---|---|---|---|---|
| Nuplace – wholly owned company | 44.832 [44.832] | 52.380 | 80.870 | £117m |
| IGMT | 0.171 [0.131] | 0.170 | 0.151 | Balance Due |
| AFC Telford | 0.042 [0.019] | 0.041 | 0.040 | Balance Due |
| Telford Hockey Club | 0.049 [0.016] | 0.046 | 0.044 | Balance Due |
| **TOTAL DUE** | **45.094** | **52.637** | **81.105** | |

International Accounting standards require the Authority to set aside loss allowances for loans, calculated to meet accounting requirements rather than any expectation of actual likely repayment issues. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance (shown in brackets in the above table). However, the Authority clearly makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. It is not currently anticipated that any of the loss allowances will be required.

**4.4** The Authority assesses the risk of loss before entering into and whilst holding service loans on a case by case basis. This could be as part of a business case appraisal, as was the case for Nuplace, or as part of individual reports taken to Council/Cabinet for smaller loans. Where appropriate external advisors would be used to inform the decision making process. Nuplace risks are regularly monitored through the Housing Investment Programme Board.

**4.5** The Council may grant loans to other organisations, such as Town and Parish Councils, where there is a clear contribution to the community and alignment with the Council's objectives. A separate report will be presented to Cabinet for approval in relation to all such loans.

## 5.0 SERVICE INVESTMENTS: SHARES

**5.1** The Council invests in the shares of Nuplace which contributes to its overall objectives, as described in 4.1 above.

**5.2** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

**Table 2: Shares held for service purposes in £ millions**

| Company | Amounts invested | Value in accounts 31.3.2023 | Forecast 2023/24 | Forecast 2024/25 | Approved Limit |
|---|---|---|---|---|---|
| Nuplace | 18.800 | 18.800 | 22.035 | 34.245 | 49.700 |
| **TOTAL** | **18.800** | **18.800** | **22.035** | **34.245** | **49.700** |

**5.3** The Authority assesses the risk of loss before entering into and whilst holding shares on a case by case basis. The assessment of risks in relation to Nuplace are as described in para. 4.4 above.

**5.4** **T**he maximum periods for which funds may prudently be committed are considered on a case by case basis as part of the business case process. The agreement with Nuplace is in place for a 30 year period, commencing 2015. Investment in Nuplace, through loan and equity is regularly monitored by senior finance officers to ensure it stays within the agreed limits.

**5.5** **Non-specified, Non-Treasury Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

## 6.0 INVESTMENTS WHICH DELIVER SOME NET INCOME AS WELL AS SERVICE BENEFITS: PROPERTY

**6.1** The Council holds a number of individual sites for regeneration and economic development purposes: which also deliver some net income e.g. the Property Investment Portfolio (PIP). The original PIP assets were received from the commission for New Towns in order to deliver income that would offset the ongoing revenue liabilities transferred to the Council as Telford Development Corporation was wound-up. The PIP is estimated to generate £8.7m income in 2023.24. The Council has established a Growth fund to strengthen and grow the PIP which is being used to invest directly into land and property enabling local businesses to expand and attracting new investors which boosts jobs and the economy, as well as delivering additional direct income and a share of additional retained business rates (between system resets). The Council has also invested in a solar farm which delivers an average of £0.2m net profit per annum as well as having broader environmental benefits through supporting the generation of renewable energy.

**Table 3: Property held for Service & Investment purposes in £ millions**

| Property | Investment | 31.3.2023 Actual | 31.3.2024 Forecast | 31.3.2025 Forecast |
|---|---|---|---|---|
| | | Value in accounts | Value in accounts | Value in accounts |
| Property Investment Portfolio | 59.963 | 139.393 | 149.221 | 185.364 |
| Solar Farm – land and equipment | 3.787 | 8.000 | 7.850 | 7.700 |
| **TOTAL** | **63.750** | **147.393** | **157.071** | **193.064** |

**6.2** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2022/23 year end accounts preparation and audit process value these properties below their purchase cost, then the position will be reviewed.

**6.3** **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments on a case by case basis. The Director: Prosperity & Investment has delegated authority to manage the PIP and make decisions in relation to PIP investments and disposals and undertakes an assessment of risk as part of this process.

**6.4** **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell at an acceptable price in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority has a process in place to plan for, manage and monitor capital receipts. Temporary borrowing may be undertaken where receipts are delayed. Updates are taken to Cabinet as part of the regular Financial Monitoring Reports.

## 7.0 PROPORTIONALITY

**7.1** Income from investment activity is used to support the revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the medium term. Should it fail to achieve the expected net profit, the Authority's contingency plans for continuing to provide these services are: that the revenue budget includes a contingency; the delivery of further savings; the use of balances (in the short-term); review of investment activities and action plan to recover position/identify alternative options.

### Table 4: Proportionality of Investments

| | 2022/23 Actual | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast |
|---|---|---|---|---|
| Investment Income as proportion of Gross service expenditure | 2.02% | 2.3% | 2.4% | 2.5% |
| Investment Income as a proportion of Net service expenditure | 6.4% | 7.3% | 7.3% | 7.4% |

## 8.0 OTHER INVESTMENTS: HCA LAND DEAL, *TOWNS FUND, LEVELLING UP FUNDS*

**HCA Land Deal**

**8.1** The Telford Land Deal is a uniquely negotiated deal between the Council, Homes England (formerly HCA) and MHCLG through which Homes England/MHCLG have committed to invest £44.5m from the sale of Government owned land in Telford to invest in the local area supporting the delivery of new homes, jobs and commercial floor space.

**8.2** The deal is based on a risk-reward model which requires the Council to make investment into site preparation up front, at risk, with this investment recouped from land receipts. The Council manages the delivery programme and is able to influence investment decisions through the Land Deal Board.

**8.3** Since the Deal was established gross land sales of £48.6m have been secured, enabling the delivery of 1,535 new homes and enabling over 2,233 new jobs. The Council has facilitated spend of £22.5m in bringing forward sites for development recouped from land sales and the total profit share delivered to the Council to date is £10.2m gross, £7m after setting aside £2m for constrained/liability sites and £0.1.2m distribution to the Marches LEP.

**8.4** The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board.

**Towns Fund/Levelling Up Funds**

**8.5** In 2019, the government formed the Towns Fund, a £3.6 billion programme to regenerate towns across the country. Telford was successful in being awarded £22.3m grant funding to regenerate Telford Town Centre (Station Quarter), Wellington Conservation Area and Oakengates Theatre Quarter.

**8.6** This investment, together with match funding from the Council will deliver a transformational programme over the next 3 years. A Town Deal Board has been established which includes representatives from the public, private and community and voluntary sectors. The Board is responsible for overseeing the delivery of the Towns Fund Programme.

**8.7** The Medium Term Financial Strategy includes capital allocations of £35.2m, phased across 2023/24 to 2025/26, which includes Towns Fund grant and council investment.

**8.8** The Council were also successful in securing £20m Government Levelling Up Funding and £9.8m Capital Regeneration Projects funding during 2023. This funding, together with council investment, will deliver two major projects: (i) Remodelling of Telford Theatre and the Creation of a new educational facility in Telford Station Quarter; and (ii) remodelling of Wellington Town Centre, including the acquisition and restoration of Wellington indoor Market, acquisition and refurbishment of the Orbit and public realm/highways improvements.

**8.9** The Medium Term Financial Strategy includes capital allocations of £37.3m, phased across 2023/24 to 2025/26, which includes Levelling Up grant, Capital Regeneration grant and council investment.

**8.10** Further information about the Telford Towns Fund, Levelling Up Fund and Capital Regeneration Fund can be found at the following web page:

**Other Capital Investments**

**8.11** Other capital investments are detailed in the Capital Strategy and Capital Programme Reports within the overall suite of Medium Term Financial Strategy Reports.

## 9.0 CAPACITY, SKILLS & CULTURE

**9.1** **Elected members and statutory officers:** reports taken to Cabinet/Council include sections on the financial and legal implications and risks. Cabinet Members are regularly briefed by Directors. An invest to save proposal is completed for each Growth Fund investment which is approved by the Director: Prosperity & Investment after consultation with the Chief Financial Officer and the Lead Cabinet Member.

There is a Member Housing Investment Board which receives regular, detailed updates in relation to Nuplace. Officers negotiating commercial investments work closely with Finance colleagues to ensure the core principles of the prudential framework and regulatory regime are complied with.

**9.2** **Corporate governance:** where not already detailed, separate reports will be taken to Cabinet/Council in relation to new major investment decisions.

## 10.0 INVESTMENT INDICATORS

**10.1** The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its key investment decisions

**10.2** This indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

**Table 5: Total investment exposure in £millions**

| Total investment exposure | 31.03.2023 Actual | 31.03.2024 Forecast | 31.03.2025 Forecast |
|---|---|---|---|
| Treasury management investments | 38.499 | 15.000 | 15.000 |
| Service investments: Loans | 45.094 | 52.637 | 81.105 |
| Service investments: Shares | 18.800 | 22.035 | 34.245 |
| Property investments | 147.393 | 157.071 | 193.064 |
| **TOTAL INVESTMENTS** | **249.786** | **246.743** | **323.414** |
| Commitments to lend | 0 | 0 | 0 |
| Guarantees issued on loans | 0 | 0 | 0 |
| **TOTAL EXPOSURE** | **249.786** | **246.786** | **323.414** |

**10.3** **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is less straight forward. However, the following investments could be described as being funded by borrowing..

**Table 6: Investments funded by borrowing in £millions**

| Investments funded by borrowing | 31.03.2023 Actual | 31.03.2024 Forecast | 31.03.2025 Forecast |
|---|---|---|---|
| Treasury management investments | 38.499 | 15.000 | 15.000 |
| Nuplace | 63.632 | 74.414 | 115.114 |
| Property | 63.750 | 72.353 | 107.483 |
| Other Loans | 0.262 | 0.257 | 0.235 |
| **TOTAL FUNDED BY BORROWING** | **166.143** | **162.024** | **237.832** |

**10.4 Rate of return received**

Nuplace is funded through a combination of debt and equity and the council receives a return on both. Net income from Nuplace, including loan interest, was £1.9m in 2022/23 and is projected to be around £2.0m in 2023/24. The long term return on the equity investment is forecast to be around 6%.

The Return on Investment relating to the PIP Growth Fund is 4.4%, after the cost of borrowing and is projected to continue at this level.

**10.5 Other Investment Indicators**

**Table 7: Other investment indicators**

| Indicator | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|
| Financing Costs to Net Revenue Stream | 7.25% | 8.54% | 9.27% | 9.42% |

**Note: the Council does not have any Commercial Investments held primarily for yield.**

## 11.0 CHIEF FINANCIAL OFFICER COMMENT

**11.1** The strategy sets out the Council's non-treasury investments, outlining the contribution they make towards service delivery objectives, risk management arrangements and liquidity.

11.2 The strategy also includes a number of indicators which provide context and proportionality. These indicators will be reviewed and updated annually in order to ensure that they remain appropriate for the Council in the prevailing financial climate. Currently, I am satisfied that the proposed strategy, together with the Council's plans for asset disposals reflected in the planned capital receipts assumed

within the capital programme, and the proposed capital expenditure programme combined with existing investments is affordable and sustainable.

11.3 No investments are made purely for financial return and no investments are made outside of the Borough. This ensures that it is local people that benefit from, for example, the improved availability of high quality homes for rent in the local private and affordable housing markets and from the jobs provided by the employers occupying Council owned industrial and commercial units. As well as the direct service benefits and incidental financial returns these projects are likely to result in the value of assets owned by the Council (and therefore its residents) increasing over the medium to longer-term as well as additional rental, council tax, business rates and new homes bonus payments. If the Council chose to sell some assets at some point in the future associated debt could be repaid/proceeds could be used to fund future capital investment.

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## AUDIT COMMITTEE

## 31 JANUARY 2024

## 2023/24 Treasury Management Update Report and 2024/25 Treasury Management Strategy

| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Edward Rushton - Group Accountant |
| **Officer Contact Details:** | **Tel:** 01952 383750 **Email:** edward.rushton@telford.gov.uk |
| **Wards Affected:** | All wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | 20th November 2023 |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Audit Committee – 31 January 2024<br>Cabinet – 15 February 2024<br>Full Council – 29 February 2024 |

**1.0 Recommendations for decision/noting:**

Audit Committee Members are asked to recommend that Full Council:

1.1 Note the treasury management activities to 31st December 2023 (Appendix A);

1.2 By way of vote, recommend that Full Council approves the Treasury Strategy 2024/25 (Appendix B), including the Annual Investment Strategy, together with the Minimum Revenue Provision Statement (Appendix B para 3.0, which will apply

from 2023/24 onwards and Treasury Management Prudential Indicators (Appendix Bii); and

1.3 Note the Treasury Management Policy Statement (Appendix B para 4.0).

## 2.0 Purpose of Report

2.1 During the financial year the minimum reporting requirements, as required by regulations issued under the Local Government Act 2003, are that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year,
- a mid-year, (minimum), treasury update report and
- an annual review following the end of the year describing the activity compared to the strategy.

This report updates members on Treasury Management activities during 2023/24 (mid year treasury update report) and details the Treasury Management Strategy recommended to be adopted for 2024/25 (annual treasury strategy). The report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

## 3.0 Background

3.1 The strategy in 2023/24 and recent years has been to limit investments in third parties, which reduces the Council's exposure to counterparty risk, and where possible and appropriate to take advantage of lowest interest rates for borrowing. Maintaining high levels of very cheap temporary financing has generated surplus treasury management returns of more than £30m since 2015/16 which has reduced the impact of Government cuts to the Council's grants and therefore helped to protect front line services.

The Council's Medium Term Financial Strategy for 2023/24 and the Cabinet's proposals issued for consultation in January 2024 for 2024/25 to 2027/28 include an allowance for interest rates based on advice from the Council's independent treasury management advisors which ensures that the Council's budget in relation to Treasury Management is as robust as possible. The Council will continue to receive regular advice from independent expert advisors specialising in all aspects of local government treasury management and we will act in accordance with the advice received.

The report also sets out expected external financing requirements. We have an excellent track record of complying with all the prudential indicators and limits agreed by Council and are operating well within the overall approved credit ceiling.

The proportion of the Council's net revenue budget used to service loan repayment at the time of the MTFS Strategy 2023/24 was 8.9% in the current financial year. This compares to 10.3% for the average unitary authority. At the 31 December 2023

the projected figure for 2023/24 had fallen to 7.25% which reflects capital programme reprofiling during the year.

The Council has increased its external financing requirements in recent years to include investment in NuPlace which provides high quality homes for rent from a reliable landlord, mainly at market rent levels and has enabled brownfield sites to be brought back in to use. The council has also expanded the Property Investment Portfolio (the PIP) to attract and retain jobs for local people and to provide other regeneration benefits for our residents. An ancillary consequence of these investments is that it is anticipated they will bring long term capital growth which will strengthen the Council's balance sheet as well as generating revenue returns well in excess of the associated loan repayment charges. They will also bring other direct and indirect financial and other benefits to the residents of the Borough including additional income from council tax, business rates and new homes bonus which will be used to help support front line services such as Adult Social Care, as well as protecting and creating jobs for local people. The Council's solar farm generates an index linked surplus after covering all associated costs including debt charges each year which is also used to help support front line services. The net surplus in the current year is expected to be around £0.7m.

This report, and the Prudential Indicators report which will be considered by Cabinet on 15 February 2024 and Full Council on 29 February 2024, sets out our overall approach to treasury management and the controls that are put in place to ensure that council taxpayers' interests are protected and risks are managed as effectively as possible.

## 4.0 Summary of main proposals

### 4.1 Treasury Management Update 2023/24

The full report is included an Appendix A

**Treasury Management Portfolio at 31 December 2023**

| | 31.03.2023 £m | 31.12.2023 £m | Movement £m |
|---|---|---|---|
| Borrowing (excl. PFI) | 347.2 | 350.7 | 3.5 |
| Investments (excl. NuPlace) | (38.5) | (29.6) | 8.9 |
| **Net indebtedness** | **308.7** | **321.1** | **12.4** |

The strategy for 2023/24 remains consistent with that outlined in the 2023/24 Treasury Strategy which was agreed for approval at Full Council on 2 March 2023 and by this committee on 24 January 2023. The Strategy is also a continuation of that used in recent years which has provided considerable benefits to the Council, i.e. to:-

- take new borrowing within shorter maturities before gradually lengthening maturities, and
- take advantage of longer term loans when opportunities arise.

Latest financial monitoring projections indicate a benefit of £0.5m from treasury management during 2023/24 which is supporting the provision of front line services and the Council's overall financial position.

**Borrowing**

To date in 2023/24 part of our Equal Instalment of Principal (EIP) and Annuity PWLB loans have matured and 1 new PWLB loan for £5m has been taken (see Appendix A para. 3.1) Alongside this, short term borrowing has been used to fund short term cash flow requirements.

As referred to in para. 3.1 above, a large part of the Council's total existing borrowing and planned further borrowings relates to funding projects which will deliver important and significant housing and regeneration benefits as well as generating some income. These are budgeted to generate returns in excess of the annual loan repayment charges and other operating costs.

**Investments**

The overall investment strategy for 2023/24 is to gain maximum benefit but with security of the principal sum invested being the primary consideration. Overall the weighted average return on all internal investments for the year to date was 4.82%; with the paramount aim being to maintain security of principal investments have generally been placed with the Government's Debt Management Office. This return compares to a benchmark return for the period of 4.85% based on the average overnight rate with the Debt Management Office (DMO).

A schedule of short-term investments as at 31 December 2023 is shown at Appendix A, Section 4.0.

The Markets in Financial Instruments Directive II (MIFID II) came into place on 3 January 2018 and the Council has opted to be categorised as a professional client which allows access to financial services and advice it may otherwise be unable to obtain (such as advice from our treasury advisors). As part of the regulations, the authority must hold a minimum investment balance which is currently set at £10m.

**Treasury Management Advisor**

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors. Link currently provide treasury advisory services to over 400 public sector clients in the UK and are experienced and well-resourced to support our treasury function.

**Economic Data (provided by Link)**

The third quarter saw:

- A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was

revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;

- A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
- CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
- Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
- The Bank of England holding Bank Rate at 5.25% in November and December;
- A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.

### 4.2 Treasury Management Strategy 2024/25

The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in Public Services (2021) and the Prudential Code (2021). The Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The Council is currently expected to need to borrow an additional £117.9m in 2024/25 based on the current capital programme plans and will adopt a flexible approach to borrowing. In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing external financing, interest rate and refinancing risk as well as borrowing source, which is usually expected to be other Local Authorities or the Public Works Loan Board, but may also include Municipal Investment Loans, the LGA Municipal Bonds Agency, European Investment Bank or commercial sources, and any new opportunities which may arise, in accordance with the approved sources of borrowing.

The strategy for any investments will generally be to minimise investments in order to reduce counter-party risk and to reduce net interest costs as longer-term borrowing rates will tend to be greater than we are able to earn on new investments, but we will look to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters. We would generally anticipate holding investments equal to the requirements set out under MIFID II, currently £10m. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved whilst recognising that the strict investment criteria that the Council applies severely reduces the number of suitable available counterparties and therefore sums with individual counterparties may be up to £15m at any one time.

The full report is included at Appendix B and also includes:

- the Council's Minimum Revenue Provision Statement 2024/25
- the Councils Treasury Management Policy Statement 2024/25, and
- the Treasury Management Prudential Indicators for 2024/25.

## 5.0 Alternative Options

5.1 The Council must ensure that it manages its finance in accordance with Legislation and the CIPFA code of practice. The recommendations in this report support that aim and are based on consideration of a range of factors.

## 6.0 Key Risks

6.1 The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.

## 7.0 Council Priorities

7.1 Effective management of the Council's Treasury portfolio helps support the Council's overall financial position through minimising borrowing costs and optimising investment income whilst following the principles of Security, Liquidity and Yield; and therefore supports the delivery of all Council priorities.

## 8.0 Financial Implications

8.1 These are detailed in the body of the report and the appendices.

## 9.0 Legal and HR Implications

9.1 The Council's Treasury Strategy has to comply with the relevant statute, codes and guidance which are set out both in the main body of this report and its appendices. This reports demonstrates that the Council has had regard to the CIPFA guidance as required by the Local Government Act 2003.

9.2 The Interim Director: Finance & Human Resources (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Interim Director: Finance & Human Resources is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "The Chief Financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee." This requirement within the Constitution reflects the requirements of the Local Government Finance

act 1988 to appoint an officer who is responsible for the good financial administration of an authority.

9.3 The Local Government Finance Act 1992 requires authorities to set a balanced budget; the proposals in this report, together with other budget-related reports, demonstrates that the Council meets this requirement.

## 10.0 Ward Implications

10.1 There are no impacts on specific wards in this report.

## 11.0 Health, Social and Economic Implications

11.1 The Economic Climate has direct relevance to Treasury Management and is covered in detail in the report and accompanying appendices.

## 12.0 Equality and Diversity Implications

12.1 The Council will not knowingly directly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations that are suitably credit assessed.

## 13.0 Climate Change and Environmental Implications

13.1 Part of the Councils Treasury portfolio includes a Municipal Investment Loan on the Abundance Platform: the Telford & Wrekin Climate Action Investment which supports the Councils climate change agenda.

## 14.0 Background Papers

1 CIPFA Treasury Management in the Public Services – Code of Practice and cross-sectional guidance notes (2021 edition)
2 CIPFA The Prudential Code for Capital Finance in Local Authorities (2021 edition)
3 Local Government Act 2003
4 Treasury Management Strategy Statement (TMSS) Template provided by Link Treasury Services

## 15.0 Appendices

A 2023/24 Treasury Management update Report
B 2024/25 Treasury Management Strategy

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Finance | 17/01/2024 | 19/01/2024 | MLB |
| Legal | 18/01/2024 | 23/01/2024 | RP |
| Director | 17/01/2024 | 19/01/2024 | MLB |

# Treasury Update Report 2023/24

Telford & Wrekin Council

A glossary and list of abbreviations used in this report can be found at page 13

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# Treasury Management Update Report 2023/24

## Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce a Treasury Update Report to review activities and actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2023/24 the minimum reporting requirements were that the Full Council should receive the following reports:

- an annual treasury strategy in advance of the year,
- a mid-year, (minimum), treasury update report (this report) and
- an annual review following the end of the year describing the activity compared to the strategy.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the Full Council. Member training on treasury management issues was undertaken in July 2023 and January 2024 in order to support members' scrutiny role.

## Executive Summary

During 2023/24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

| **Prudential and treasury indicators** | 31.03.23 Actual £m | 2023/24 Original £m | 2023/24 Revised Estimate £m | 31.12.23 Actual £m |
|---|---|---|---|---|
| Capital expenditure | | | | |
| • Total | 75.704 | 180.958 | 90.047 | 52.462 |
| Capital Financing Requirement: | | | | |
| • Total | 520.687 | 649.408 | 558.835 | 558.835 |
| • Less Other Long Term Liabilities | (47.888) | (44.547) | (44.547) | (44.547) |
| • Loans CFR | 472.799 | 604.861 | 514.288 | 514.288 |
| Gross borrowing | | | | |
| • External Debt | 347.221 | 440.187 | 375.818 | 350.743 |
| Investments | | | | |
| • Under 1 year | 38.499 | 15.000 | 15.000 | 29.569 |
| Net borrowing | | | | |
| • Total | 308.722 | 425.187 | 360.818 | 321.174 |

Other prudential and treasury indicators are to be found in the main body of this report.

Borrowing can only be undertaken to fund capital investment and not to support the revenue budget which supports the delivery of most Council services. The Interim Director of Finance & HR also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

## 2023/24 TREASURY MANAGEMENT UPDATE

### 1.0 Treasury Position as at 31st December 2023

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established which includes member reporting as detailed in the summary.

At the 31st December the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

| TREASURY PORTFOLIO | 31.03.23 Principal £m | 31.12.23 Principal £m | Movement in Principal £m |
|---|---|---|---|
| Fixed rate debt (+1yr) | 251.192 | 246.714 | (4.478) |
| Temporary debt (-1yr) | 96.029 | 104.029 | 8.000 |
| **Total debt** | **347.221** | **350.743** | **3.522** |
| **Less Total investments** | **38.499** | **29.569** | **(8.93)** |
| **Net debt (exc. Nuplace)** | **308.722** | **321.174** | **12.452** |
| **Less Investment in NuPlace** | **18.800** | **20.800** | **2.000** |
| **Net debt (inc. Nuplace)** | **289.922** | **300.374** | **10.452** |

The maturity structure of the debt portfolio was as follows:

| MATURITY STRUCTURE – DEBT (assumes 31st March) | 31.03.23 Actual | | 2023/24 original limits % | | 31.12.23 Actual | |
|---|---|---|---|---|---|---|
| | £m | % | Lower | Upper | £m | % |
| Under 12 months | 107.209 | 30.9 | 0.0 | 70.0 | 52.261 | 14.9 |
| 12 months and within 24 months | 21.705 | 6.3 | 0.0 | 30.0 | 76.779 | 21.9 |
| 24 months and within 5 years | 33.196 | 9.6 | 0.0 | 50.0 | 35.766 | 10.2 |
| 5 years and within 10 years | 45.679 | 13.2 | 0.0 | 75.0 | 46.367 | 13.2 |
| 10 years and above* | 139.432 | 40.0 | 25.0 | 100.0 | 139.570 | 39.8 |

** this includes £25m Lenders Option Borrowers Options (LOBO) loans that are potentially callable at certain points before the maturity date.*

The maturity structure of the investment portfolio was as follows:

| MATURITY STRUCTURE – INVESTMENTS (exc. NuPlace Ltd) | 31.03.23 Actual £m | 31.12.23 Actual £m |
|---|---|---|
| Investments | | |
| Longer than 1 year | 0 | 0 |
| Up to 1 year | 38.499 | 29.569 |
| **Total** | **38.499** | **29.569** |

## 2.0 Interest Rates and Economic Data

The third quarter saw:

- A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
- A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
- CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
- Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
- The Bank of England holding Bank Rate at 5.25% in November and December;
- A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.

## 3.0 Borrowing

At the 31st December the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

| DEBT PORTFOLIO | 31.12.23 Principal £m | Average Interest Rate % |
|---|---|---|
| Fixed rate funding: | | |
| - PWLB | 206.437 | 2.62 |
| - Market Loans & LOBS | 40.000 | 4.17 |
| - Municipal Investment | 0.277 | 2.10 |
| Variable rate funding: | | |
| - Temporary | 104.029 | 4.62 |
| **Total debt** | **350.743** | **3.33** |

The borrowing strategy for the current year has been to borrow temporarily where possible as we are in a reducing interest environment before gradually extending maturities.

### 3.1 New Borrowing

Between the period 1 June 2023 (previous Member update) and 31 December 2023, £53.6m of temporary loans have been raised in order to fund short-term cash flow requirements. Interest rates have ranged from 4.63% to 5.70%. The outstanding temporary borrowing at 31 December 2023 was £104.0m

To date in 2023/24 £9.25m of our Equal Instalment of Principal and Annuity PWLB loans have matured and a further £2.08m are due to mature prior to the end of the financial year. One new PWLB loan, totalling £5.0m, has been taken since 1 June 2023, which is the only loan taken during year.

| Lender | Date Raised | Principal £m | Type | Interest Rate % | Duration |
|---|---|---|---|---|---|
| PWLB | 21.12.2023 | 5.0m | Fixed interest rate - EIP | 4.37 | 13 years |

### 3.2 Rescheduling

During 2023/24 no rescheduling of debt has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

## 4.0 Treasury Management Investments

At the 31st December the Council's treasury position was as follows:

| **INVESTMENT PORTFOLIO** | 31.12.23 Actual £m | 31.12.23 Actual % | Credit Rating | Weighted Credit Score |
|---|---|---|---|---|
| **Treasury investments** | | | | |
| Banks | 6.589 | 22.3 | A+ | 1.11 |
| DMADF (H.M. Treasury) | 18.000 | 60.9 | AAA | 0.61 |
| Money Market Funds | 4.980 | 16.8 | AAA | 0.17 |
| **Total Treasury Investments** | **29.569** | **100.0** | | **1.89** |

The Authority's objective when investing money for Treasury Management purposes is to strike an appropriate balance between risk and return. The strategy for the year is to gain maximum benefit at minimum risk whilst achieving as a minimum, the overnight deposit rate.

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Based on this the Treasury Management Prudential Indicator in relation to Credit Risk

is a score of 6 or lower, which is equivalent to a weighted average credit rating of 'A' or higher across the investment portfolio. As at 31 December 2023 the weighted average credit rating for Investments held was 1.89 (which is within the indicator)**.** Further information regarding Credit Ratings is detailed in Appendix Ai.

The Council's treasury management investments are mainly internally managed and are currently held as temporary investments for cash flow purposes.

For the period to 31st December 2023 some £9.86bn worth of investments have been placed with H.M. Treasury's Debt Management Account Deposit Facility (DMADF) and Lloyds Bank. Interest rates have ranged from an average of 3.96% to 5.05%.

The Council holds investments of £4.98m in Money Market Funds which gives increased diversification of counter-party risk and slightly higher yield whilst retaining a high degree of liquidity. These investment are held in one diversified fund. The average interest rate to 31 December was 4.89%

In line with the approved Treasury Management Prudential Indicator, the Council can place up to £15.0m with any Counterparty, with the exception of the DMADF which is Government backed and therefore considered to be very secure so no limit is placed on investments. At the end of December the greatest exposure with a single counterparty was £18.0m (60.9% of the portfolio) with the DMADF.

The Council has operated within the Treasury Limits and Prudential Indicators set, with the exception of the counterparty limit being exceeded on one day in October which was due to an internal processing error. As a result, the balance in Lloyds Bank exceeded the £15m counterparty limit on that day. Lloyds Bank have a high credit rating and the funds were placed with the Government Debt Management Deposit Facility the next day. This was separately reported to the Chair and Vice Chair of the Audit Committee and Internal Audit at the time. Following immediate improvements to the process being implemented by the Finance Team, Internal Audit completed a further review during November and were satisfied with the updated process and made no recommendations.

The Council is guided by its Treasury advisers in assessing investments.

### 4.1 Longer Term Treasury Management Investments

The Council currently holds no long-term Treasury Management Investments.

### 4.2 Overall Performance

Overall, the weighted average return on all internal treasury management investments for the year to date to 31st December 2023 was 4.82%. This compared to a benchmark return for the period of 4.85%, based on the average overnight rate with the DMADF / 7 Day Sonia Rate. The security of principal sums invested is paramount.

## 5.0 Leasing

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost of the acquisition over a number of years.

To date, there have been no lease requests made for 2023/24.

## 6.0 Projected Performance

The Chief Financial Officer and other Senior Finance Officers closely monitor the Treasury position, particularly with the likelihood of the continuing interest rate rises. Latest financial monitoring projections indicate a projected benefit of £0.5m from treasury management activities in year. Updates will be provided in future financial monitoring reports taken to Cabinet.

## 7.0 MRP Update

In November 2021 the Department for Levelling Up, Housing and Communities (DLUHC) launched a consultation seeking views on proposed changes to regulations in relation to the duty of local authorities to make prudent Minimum Revenue Provision each year. The consultation closed in February 2022. The proposals for change related to the exclusion of a proportion of debt from the MRP calculation, particularly relating to investment assets, capital loans and some operational assets. Following concerns raised by a number of authorities it was apparent that the proposed changes may have given rise to unintended consequences and DLUHC amended the proposals to allow additional flexibilities with respect to capital loans. The Government conducted a follow up survey in November 2022. It is currently intended that the proposed changes will take effect from at the earliest April 2024. When the revised basis is finalised, going forward, the Council will prepare its budget on the revised basis.

**Credit Ratings – A Guide**.

***Long-term credit ratings and Sovereign Ratings***

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

**Investment grade**

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

**Non-investment grade**

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

***Short-term credit ratings***

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions

- **D** : the obligor is in default as it has failed on its financial commitments.

**Support Ratings (1 – 5)**

**The Purpose and Function of Support Ratings**
Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

**Timeliness and Effectiveness Requirements**
Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

**Obligations and Financial Instruments Covered**
In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

**Definitions:**

**1**: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

**2**: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

**3**: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

**4**: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

**5**: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

**GLOSSARY**

| Term | Meaning |
|---|---|
| Annuity | A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion in interest reduces and the proportion of principal repayment increases over time. |
| Authorised Borrowing Limit | The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator. |
| Bail-in | A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out |
| Bail-out | A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of the taxpayer. |
| Call account | A deposit account that can be called back, normally on instant access. |
| Capital Financing Requirement CFR) | This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities. |
| Credit Default Swaps (CDS) | CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation. |
| Credit Ratings | Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moody's using market intelligence they gather. |
| Credit Risk | The risk that the debtor will default on their obligations |
| Counterparty | The organisation that you are conducting your business with. |
| Debt Management Account Deposit Facility | Provided by the Debt Management Office, users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating. |
| Derivative Instruments | A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from the value of a stock. An interest rate swap is a |

| | |
|---|---|
| | derivative because it derives its value from one or more interest rate indices. |
| Discounts | These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early. |
| Fund Managers | Independent investment managers who work to a specific mandate and invest funds on behalf of the Council |
| IFRS | International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010. |
| Inflation | The rise in prices of goods and services over a period of time. |
| Interest Rate Risk | The risk that the value of an investment will change due to changes to the interest rate. |
| Internal Borrowing | This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market. |
| LIBID | London inter-bank bid rate. Interest rate at which prime banks will **borrow** money in the London inter-bank market. |
| LIBOR | London inter-bank offer rate. Interest rate at which prime banks will **lend** money in the London inter-bank market. Fixed every day by the British Bankers Association to five decimal places. |
| Liquidity Risk | The risk of not being able to trade an investment quickly to release cash. |
| LOBO | Lender's Option Borrower's Option – a long term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially. |
| Minimum Revenue Provision (MRP) | This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure. |
| Money Market Fund (MMF) | Mutual funds that invest in short term debt instruments. They offer a higher level of security than banks and interest rates are generally higher. |
| Obligor | An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds. |

| | |
|---|---|
| Operational Borrowing Limit | The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator. |
| Premia | This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken. |
| Prudential Code | A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities. |
| Prudential Indicators | A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority. |
| PWLB | Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow. |
| Quantitative Easing | This is where the government buy back their own gilt issuance to effectively pump money into the financial markets of the economy. |
| Re-scheduling | This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates |
| Return | The gain from holding an investment over a given period |
| Security | An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity. |
| SONIA | Sterling Overnight Interbank Average – a key Bank of England interest rate benchmark; it is a measurement of the cost of borrowing and reflects the average of interest that banks pay to borrow sterling overnight from other financial institutions. |
| Sovereign Exposure | Risk of exposure to one particular country. |
| Supranational Bonds | These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure. |
| Treasury Management Code (TM Code) | CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard. |

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# Treasury Management Strategy 2024/25

(including Minimum Revenue Provision Statement 2024/25 & Treasury Management Policy Statement 2024/25)

Telford & Wrekin Council

A glossary and list of abbreviations used in this report can be found at page 54

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# Treasury Management Strategy 2024/25

## Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management strategy for 2024/25. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2024/25 the minimum reporting requirements are that the Full Council should receive the following reports:

- an annual treasury strategy in advance of the year (this report),
- a mid-year, (minimum), treasury update report, and
- an annual review following the end of the year describing the activity compared to the strategy.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the Full Council. Member training on treasury management issues was undertaken in July 2023 and January 2024 in order to support members' scrutiny role.

## 1.0 BACKGROUND & CONTEXT

### 1.1 Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

### 1.2 Reporting Requirements

#### Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The Council's Capital Strategy is included as part of the suite of Medium Term Financial Strategy (MTFS) reports which are approved by Full Council each year.

**Treasury Management Reporting**

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report is forward looking and covers: -
    - the capital plans, (including prudential indicators)
    - a minimum revenue provision (MRP) policy, (how capital expenditure funded by borrowing is charged to revenue over time)
    - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
    - an Annual Investment Strategy, (the parameters on how investments are to be managed)
b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
c. An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**Scrutiny** - the above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit Committee.

**Other reports** – The above reports will be supplemented by updates as part of the financial monitoring taken to Cabinet.

### 1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

**Capital issues**

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

**Treasury management issues**

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Authority
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, Department of Levelling Up, Housing and Communities (DLUHC) Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

## 2.0 THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### 2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

| Capital expenditure (£m) | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|---|
| General Fund Services | 59.579 | 70.766 | 105.865 | 46.097 | 12.718 |
| Housing Investment Programme (NuPlace) | 4.571 | 10.782 | 40.700 | 30.155 | 16.470 |
| Property Investment Portfolio | 10.920 | 7.169 | 31.421 | 18.726 | 5.452 |
| Telford Land Deal | 0.634 | 1.330 | 1.812 | 3.108 | 0.000 |
| **Total** | **75.704** | **90.047** | **179.798** | **98.086** | **34.640** |

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

| Financing of capital expenditure (£m) | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|---|
| Capital receipts | 13.598 | 0.774 | 7.556 | 0.000 | 6.000 |
| Capital grants | 28.775 | 43.432 | 44.061 | 19.292 | 0.207 |
| Revenue | 1.158 | 1.678 | 1.058 | 0.067 | 0.000 |
| External | 6.920 | 2.067 | 9.250 | 3.008 | 0.000 |
| Net financing need for the year | 25.253 | 42.096 | 117.873 | 75.719 | 28.433 |

## 2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £44.2m of such schemes within the CFR (31/3/23).

The Committee is asked to approve the CFR projections below:

| Capital Financing Requirement (£m) | 2022/23 Actual | 31.3.2024 Estimate | 31.3.2025 Estimate | 31.3.2026 Estimate | 31.3.2027 Estimate |
|---|---|---|---|---|---|
| **Capital Financing Requirement** | | | | | |
| General Fund Service | 393.380 | 414.801 | 456.459 | 482.933 | 487.621 |
| Housing Investment Programme (NuPlace Ltd) | 63.544 | 74.326 | 115.026 | 145.181 | 161.651 |
| Property Investment Portfolio | 59.963 | 65.906 | 96.315 | 115.040 | 120.492 |
| Solar Farm | 3.800 | 3.800 | 3.800 | 3.800 | 3.800 |
| **Total CFR** | **520.687** | **558.833** | **671.600** | **742.854** | **769.146** |

| Capital Financing Requirement (£m) | 2022/23 Actual | 31.3.2024 Estimate | 31.3.2025 Estimate | 31.3.2026 Estimate | 31.3.2027 Estimate |
|---|---|---|---|---|---|
| Movement in CFR | | 38.146 | 112.767 | 71.254 | 26.292 |

## 2.3 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum although CIPFA strongly recommends that the Liability Benchmark is produced for at least 10 years and should ideally cover the full debt maturity profile.

There are four components to the LB: -

- Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
- Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The full Liability Benchmark is included at Appendix Bii.

## 2.4 Capital and Treasury Management Prudential Indicators

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Treasury Management and Prudential Indicators. These indicators are used to measure and manage the Authority's measures exposure to treasury management risks including –

- Capital Expenditure & Financing
- Capital Financing Requirement (CFR)
- Limits to Borrowing Activity
- Liability Benchmark
- Security
- Liquidity
- Interest Rate Exposure
- Maturity Structure of Fixed Rate Borrowing
- Principle sums invested for periods longer than a year

Capital and Treasury Management Prudential Indicators are detailed in Appendix Bii.

## 3.0 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

### 3.1 Current Portfolio Position

The overall treasury management portfolio as at 31.3.23 and estimated position as at 31.3.24 are shown below for both borrowing and investments.

| Treasury Portfolio | 31.3.23 Actual | 31.3.23 Actual | 31.03.24 Estimate | 31.03.24 Estimate |
|---|---|---|---|---|
| **Treasury investments** | **£000** | **%** | **£000** | **%** |
| Banks | 4,419 | 10.6 | 2,500 | 16.7 |
| Money Market Funds | 4,980 | 13.1 | 4,980 | 33.2 |
| H.M. Treasury's Debt Management Account Deposit Facility (DMADF) | 29,100 | 76.3 | 7,520 | 50.1 |
| **Total treasury investments** | **38,499** | **100.0** | **15,000** | **100.0** |
| | | | | |
| **Treasury external borrowing** | | | | |
| Local Authorities | 96,029 | 27.7 | 100,029 | 26.6 |
| PWLB | 210,884 | 60.7 | 235,544 | 62.7 |
| Market Loans | 15,000 | 4.3 | 15,000 | 4.0 |
| LOBOs | 25,000 | 7.2 | 25,000 | 6.7 |
| Municipal Loans | 308 | 0.1 | 245 | 0.0 |
| **Total external borrowing** | **347,221** | **100.0** | **375,818** | **100.0** |
| | | | | |
| **Net treasury investments / (borrowing)** | **(309,099)** | | **(360,818)** | |

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

| External Financing & Investments (£m) | 31.3.23 Actual | 31.3.24 Estimate | 31.3.25 Estimate | 31.3.26 Estimate | 31.3.27 Estimate |
|---|---|---|---|---|---|
| Total External Borrowing | 347.2 | 375.8 | 493.7 | 569.4 | 597.8 |
| Other Long Term Liabilities | 44.2 | 44.6 | 41.2 | 38.4 | 38.1 |

| External Financing & Investments (£m) | 31.3.23 Actual | 31.3.24 Estimate | 31.3.25 Estimate | 31.3.26 Estimate | 31.3.27 Estimate |
|---|---|---|---|---|---|
| **Total Gross External Debt** | **391.4** | **420.4** | **534.9** | **607.8** | **635.9** |
| The Capital Finance Requirement | 520.7 | 558.8 | 671.6 | 742.9 | 769.1 |
| **Under / (over) borrowing** | **129.3** | **138.4** | **136.7** | **135.1** | **133.2** |

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Interim Director of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

### 3.2 Treasury Indicators: Limits to Borrowing Activity

**The Operational Boundary:** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

The Committee is asked to approve the following Operational Boundary:

| Operational Boundary (£m) | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|
| Debt | 475.0 | 635.0 | 725.0 | 745.0 |
| Other long-term liabilities | 50.0 | 50.0 | 50.0 | 50.0 |
| **Total** | **525.0** | **685.0** | **775.0** | **795.0** |

**The Authorised Limit for external debt:** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.

The Committee is asked to approve the following Authorised Limit:

| Authorised Limit £m | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|
| Debt | 495.0 | 655.0 | 745.0 | 765.0 |
| Other long-term liabilities | 54.0 | 54.0 | 54.0 | 54.0 |
| **Total** | **549.9** | **709.0** | **799.0** | **819.0** |

### 3.3 Prospects for Interest Rates and commentary (provided by Link)

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

| Link Group Interest Rate View 08.01.24 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 |
| BANK RATE | 5.25 | 5.25 | 4.75 | 4.25 | 3.75 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 3 month ave earnings | 5.30 | 5.30 | 4.80 | 4.30 | 3.80 | 3.30 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 6 month ave earnings | 5.20 | 5.10 | 4.60 | 4.10 | 3.70 | 3.30 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 |
| 12 month ave earnings | 5.00 | 4.90 | 4.40 | 3.90 | 3.60 | 3.20 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.20 | 3.20 |
| 5 yr PWLB | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 | 3.80 | 3.70 | 3.60 | 3.60 | 3.50 | 3.50 | 3.50 |
| 10 yr PWLB | 4.70 | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 | 3.90 | 3.80 | 3.70 | 3.70 | 3.70 | 3.70 |
| 25 yr PWLB | 5.20 | 5.10 | 4.90 | 4.80 | 4.60 | 4.40 | 4.30 | 4.20 | 4.20 | 4.10 | 4.10 | 4.10 | 4.10 |
| 50 yr PWLB | 5.00 | 4.90 | 4.70 | 4.60 | 4.40 | 4.20 | 4.10 | 4.00 | 4.00 | 3.90 | 3.90 | 3.90 | 3.90 |

- Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

#### PWLB Rates

- The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

**The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is even.

**Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **Geopolitical risks,** for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

**Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- Despite the tightening in Bank Rate to 5.25%, the **Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected **gilt issuance, inclusive of natural maturities and QT,** could be too much for the markets to comfortably digest without higher yields compensating.

**Link Group Forecasts**

We expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. We do not think that the MPC will increase Bank Rate above 5.25%.

**Gilt yields and PWLB rates**

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below:

| PWLB debt | Current borrowing rate as at 06.11.23 p.m. | Target borrowing rate now (end of Q3 2025) | Target borrowing rate previous (end of Q3 2025) |
|---|---|---|---|
| 5 years | 4.53% | 3.70% | 3.80% |
| 10 years | 4.67% | 3.90% | 3.80% |
| 25 years | 5.19% | 4.20% | 4.20% |
| 50 years | 4.97% | 4.00% | 4.00% |

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below:-

| Average earnings in each year | Now | Previously |
|---|---|---|
| 2023/24 (residual) | 5.30% | 5.30% |
| 2024/25 | 4.55% | 4.70% |
| 2025/26 | 3.10% | 3.20% |
| 2026/27 | 3.00% | 3.00% |
| 2027/28 | 3.25% | 3.25% |
| 2028/29 | 3.25% | 3.25% |
| Years 6 to 10 | 3.25% | 3.25% |
| Years 10+ | 3.25% | 3.25% |

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

## 3.4 Borrowing Strategy

The Authority holds £350.743m of loans as at 31 December 2023, an increase of £3.522 on the end of the previous financial year. It is anticipated that the total cumulative borrowing will increase to £375.8m by the end of 2023/24 in line with the approved Capital Programme.

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Finance & Human Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

**Objectives**: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

**Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With the forecast for interest rates anticipated to have peaked in September 2023 before starting to reduce from Quarter 3 2024 it is likely to be more cost effective in the short-term to either use internal resources, or to borrow through the use of short-term loans, up to 1 year.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next year given to current interest rate forecast, over the medium-term we will make gradual moves into longer

term borrowing as and when attractive opportunities arise. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. External advisors will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Historically, the Authority has raised the majority of its short term borrowing from the Local to Local market i.e. Local Authorities lending to and borrowing from each other, and this is likely to remain a major source going forward. The Authority may also consider the option of borrowing short term from the PWLB.

Likewise, the Authority has raised the majority of its long-term borrowing from the PWLB and this is likely to be a major source of borrowing going forward. The Authority may also consider alternative options for borrowing any long-term loans, such as banks, pension funds and local authorities, and the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

**Sources of Borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly PWLB)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Registered Housing providers
- Capital market bond investors
- Community Municipal Investments (Bond or Loan) raised from the general public (including a climate change investment opportunity).

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to meet its obligations for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

**New Financial Institutions as a source of borrowing and or types of borrowing:** Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

**LOBOs:** The Authority holds £25.0m (7.1% of the debt portfolio at 31 December 2023) of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £20.0m of these LOBOs have remaining options prior to the end of the financial year, and although the Authority understands that lenders are very unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing opportunity. Rates payable were competitive compared to PWLB rates at the time that the loans were taken out. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will not increase from the current £25.0m.

**Short-term and variable rate loans**: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the

interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

**Borrowing in advance of need:** The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

## 4.0 ANNUAL INVESTMENT STRATEGY

### 4.1 Investment Policy – Management of Risk

**Investments that are not part of Treasury Management Activity**

The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This may include investment activity which is outside the purpose of normal treasury management. Public sector organisations may have investments for various purposes –

- **Investments for treasury management purposes** – are those investments that arise from the organisations cash flows or treasury risk management activity and ultimately represent balances which need to be invested until the cash in required for use in the course of business.
- **Investments for service purposes** – are taken or held primarily for the provision and for the purpose of delivering public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- **Investments for commercial purposes** – are long term investments taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. The Council does not hold any investments primarily for financial return.

This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Investments for both services purposes and commercial purposes are covered in greater detail in the Investment Strategy

Report and Capital Strategy Report which will be presented to Cabinet on 15 February 2024 and then Full Council on 29 February 2024.

The Authority's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix Biv under the categories of 'specified' and 'non-specified' investments.

**Specified Treasury investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

**Non-specified Treasury investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £5m.

6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.

7. **Transaction limits** are set for each type of investment in 4.2.

8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.2).

9. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see Appendix Bii).

10. This Authority has engaged **external consultants**, (see paragraph 3.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.

11. All investments will be denominated in **sterling**.

12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

## 4.2 Creditworthiness Policy

This Authority applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Ultra-Short Dated Bonds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bonds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (applies to nationalised / semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

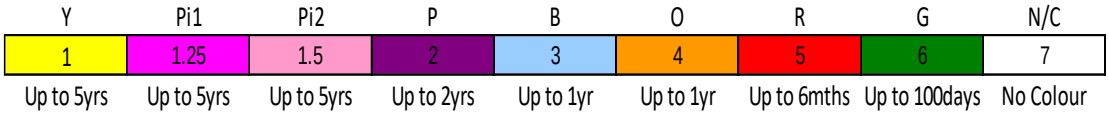
The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.




| | Colour (and long-term rating where applicable) | Money Limit (with any one counterparty) | Time limit |
|---|---|---|---|
| Banks | Yellow | £15.0m | 5yrs |
| Banks | Purple | £15.0m | 2 yrs |
| Banks | Orange | £15.0m | 1 yr |
| Banks – part nationalised | Blue | £15.0m | 1 yr |
| Banks | Red | £15.0m | 6 mths |
| Banks | Green | £15.0m | 100 days |
| Banks | No Colour | Not to be used | |
| Limit 3 category – Authority's banker (where "No Colour") | XXX | £15.0m | 1 day |
| Other institutions limit | - | £7.5m | 5yrs |
| DMADF | UK sovereign rating | unlimited | 6 months |
| Local authorities | n/a | £15.0m | XXyrs |
| Housing associations | Colour bands | £15.0m | As per colour band |
| | **Fund rating**** | **Money Limit (with any one counterparty)** | **Time Limit** |
| Money Market Funds CNAV | AAA | £10.0m | liquid |
| Money Market Funds LVNAV | AAA | £10.0m | liquid |
| Money Market Funds VNAV | AAA | £10.0m | liquid |

| | | | |
|---|---|---|---|
| Ultra-Short Dated Bond Funds with a credit score of 1.25 | Dark Pink / AAA | £10.0m | liquid |
| Ultra-Short Dated Bond Funds with a credit score of 1.50 | Light Pink / AAA | £10.0m | liquid |

**Creditworthiness:** Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

**CDS prices:** Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

**Limits:** Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

*a)* **Non-specified treasury management investment limit:** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being £5m.

*b)* **Country limit:** The Authority has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix Bv. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

**Other limits.** In addition: -

- no more than £15m, with the exception of Money Market Funds where the Authority has no control of the sovereignty splits, will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

### 4.3 Treasury Investment Strategy

The Council generally expects to maintain an investment balance of between £10.0m and £25.0m, at each month end, for the forthcoming year. There may be circumstances where the Council takes advantage favourable borrowing rates and investments may exceed £25m on a short-term basis from time to time due to differing maturity dates or certain periods of the year when markets are less liquid and it is appropriate to hold more cash investments; further, the

receipt of grant funding, may result in investments being higher at points during the year.

**Objectives:** The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Strategy:** For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest. This diversification of investments will represent a continuation of the strategy adopted in 2023/24.

**Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types listed below, subject to the cash limits (per counterparty) and the time limits shown in the creditworthiness policy (4.2).

- **The UK Government, local authorities and other government entities:** Loans to, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is a lower risk of insolvency, although they are not without risk. Investments with the UK Government may be made in unlimited amounts for up to 50 years.
- **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- **Banks & Building Societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and

building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

- **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk
- **Operational bank accounts:** The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £15.0m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts
- fixed term deposits and loans
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £5million in total
- certificates of deposit
- bonds, notes, bills, commercial paper and other marketable instruments, and shares in money market funds and other pooled funds,

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as SONIA, subject to the limits on interest rate exposures below.

**Liquidity management:** The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis, to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

## 4.4 Ethical Investments

The Council will not knowingly directly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations suitably credit assessed.

The Council's lending activity will be subject to (in order of rank)

- the assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy.
- meeting the Security, Liquidity & Yield (SLY) criteria as set out in the current Treasury Management Strategy, and
- investments are not contrary to the values outlined in the Ethical Investment Framework (Appendix Bvii)

## 4.5 Related Matters

**Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011

removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with CIPFA Code, the Authority will seek external advice and will consider that the advice before entering into financial derivatives to ensure that it fully understands the implications.

**Markets in Financial Instruments Directive (MIFID)**: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

## 5.0 MINIMUM REVENUE PROVISION STATEMENT 2024/25

5.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 08 (SI 08/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

(NB - this does not preclude other prudent methods.)

MRP in 2023/24: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self-financed expenditure include

Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

The MRP Statement will be submitted to Council before the start of the 2024/25 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

The Council will calculate MRP by the following methods –

Historic MRP (re pre 2007/08 borrowing). This will be calculated by dividing the balance at 31/3/07 (calculated in accordance with regulations) by 50 for an annual charge that charges over a finite period rather than a 4% reducing balance. Broadly in line with option 3.

MRP in respect of prudential borrowing, government supported allocations since 2007/08 and PFI will be charged over the life of the asset on an annuity basis (option 3 in the regulations).

DLUHC is in the final stages of a consultation where it is seeking views on revised MRP Guidance and the final proposed amendments to the Regulations. The consolation opened 21 December 2023 and remains open until 16 February 2024 with final changes taking effect from 2024/25 Financial Year. This consultation builds on a previous consultation which ran in June - July 2022 and focused on the exclusion of a proportion of debt from the MRP calculation, particularly relating to investment assets, capital loans and some operational assets.

MRP in respect of leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability which is broadly in line with the life of the asset.

Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26.

## 6.0 TREASURY MANAGEMENT POLICY STATEMENT 2024/25

6.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Treasury Management Code (TM Code)), as described in Section 5 of the TM Code.

Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and

objectives, and prescribing how it will manage and control those activities.

- Investment Management Practices (IMPs) for investments that are not for treasury management purposes.

The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Director: Finance & Human Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

## 6.2 Policies and objectives of Treasury Management Activities

The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

## 7.0 OTHER ITEMS

### 7.1 Financial Implications

The budget for investment income in 2024/25 is £0.675m, based on an average investment portfolio of £15.0m at an interest rate of 4.5%. The budget for debt interest paid in 2024/25 is £15.912m, based on an average debt portfolio of £445.402m at an average interest rate of 3.57%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different. Such differences will be reported through regular financial monitoring to Cabinet.

### 7.2 Balanced Budget Requirement:

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

### 7.3 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Interim Director: Finance & Human Resources will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows -

- Half yearly against the strategy approved for the year. The authority will produce an outturn report on its treasury activity no later than 31st July after the financial year end and an update report alongside the Treasury Strategy in the last quarter of the financial year.

Audit Committee will be responsible of the scrutiny of treasury management activity and practices.

A detailed list of the Treasury Management Section of Delegation and the Treasury Management Role of the Section 151 Officer are included at Appendix Biv.

### 7.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of knowledge and training requirements will depend on the size and complexity of the organisation's treasury management needs.

Based on our treasury management portfolio the approach we will adopt is:

- Record attendance at training and circulate training materials to those unable to attend; also ensure action is taken where poor attendance is identified.
- Discuss and agree learning plans as part of APPD / 1-to-1 for treasury management officers; consider training plan requirements for members.
- Consider self-assessment requirements for both treasury management officers and relevant members.
- Periodically ask treasury management officers and relevant members to highlight any training needs.

Training has been undertaken by members in July 2023 and January 2024 and further training will be arranged as required.

A formal record of the training received by officers central to the Treasury function will be recorded as part of the APPD process. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Treasury Function.

### 7.5 Treasury Management Consultants

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## Existing Treasury Portfolio Projected Forward

| Treasury Portfolio (£m) | Current Portfolio | % | 31.3.24 Estimate | 31.3.25 Estimate | 31.3.26 Estimate | 31.3.27 Estimate |
|---|---|---|---|---|---|---|
| **Treasury Investments:** | | | | | | |
| Banks | 6.6 | 22.3 | 2.5 | 2.5 | 2.5 | 2.5 |
| Money Markets | 5.0 | 16.8 | 5.0 | 5.0 | 5.0 | 5.0 |
| DMADF | 18.0 | 60.9 | 7.5 | 7.5 | 7.5 | 7.5 |
| **Total Treasury Investments** | **29.6** | **100.0** | **15.0** | **15.0** | **15.0** | **15.0** |
| | | | | | | |
| **Treasury external borrowing** | | | | | | |
| Local Authorities & other temporary loans | 104.0 | 26.3 | 126.2 | 100.0 | 100.0 | 100.0 |
| PWLB | 206.4 | 52.2 | 209.4 | 353.5 | 429.3 | 457.8 |
| Market Loans | 15.0 | 3.8 | 15.0 | 15.0 | 15.0 | 15.0 |
| LOBO | 25.0 | 6.3 | 25.0 | 25.0 | 25.0 | 25.0 |
| Municipal Loans | 0.3 | 0.1 | 0.2 | 0.2 | 0.1 | 0.0 |
| **Total Treasury external borrowing** | **350.7** | **88.7** | **375.8** | **493.7** | **569.4** | **597.8** |
| | | | | | | |
| **Net Treasury investments / (borrowing)** | **(321.1)** | | **(360.8)** | **(478.7)** | **(554.4)** | **(582.8)** |
| | | | | | | |
| **Long Term Liabilities** | | | | | | |
| PFI | (44.5) | 11.3 | (44.5) | (41.1) | (38.4) | (38.1) |
| Finance Leases | (0.1) | 0.0 | (0.1) | 0.0 | 0.0 | 0.0 |
| **Total Long Term Liabilities** | **44.6** | **11.3** | **(44.6)** | **(41.1)** | **(38.4)** | **(38.1)** |
| | | | | | | |
| **Net investments / (borrowing)** | **(365,7)** | | **(405.4)** | **(519.8)** | **(592.8)** | **(620.9)** |

**Capital and Treasury Management Prudential Indicators 2024/25**

## 1.0 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

The Authority measures and manages its exposure to treasury management risks using the following indicators.

Committee is asked to approve the following Capital and Treasury Management Prudential Indicators for 2024/25.

## 2.0 Capital Expenditure and Financing:

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

| Capital expenditure (£m) | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|---|
| Total | 75.704 | 90.047 | 179.798 | 98.086 | 34.640 |

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

| Financing of capital expenditure (£m) | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|---|
| Capital receipts | 13.598 | 0.774 | 7.556 | 0.000 | 0.000 |
| Capital grants | 28.775 | 43.432 | 44.061 | 19.292 | 0.207 |
| Revenue | 1.158 | 1.678 | 1.058 | 0.067 | 0.000 |
| External | 6.920 | 2.067 | 9.250 | 3.008 | 0.000 |
| Net financing need for the year | 25.253 | 42.096 | 117.873 | 75.719 | 28.433 |

## 3.0 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). See Table 2 – Capital Financing Requirement (CFR) in Section 1.7 above.

The Authority is asked to approve the CFR projections below:

| Capital Financing Requirement (£m) | 2022/23 Actual | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|---|
| Total CFR | 520.687 | 558.833 | 671.600 | 742.854 | 769.146 |
| Movement in CFR | | 38.146 | 112.767 | 71.254 | 26.292 |

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The CFR Table above shows that the Authority expects to fully comply with this recommendation.

## 4.0 Limits to Borrowing Activity:

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

| Operational Boundary (£m) | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|
| Debt | 475.0 | 635.0 | 725.0 | 745.0 |
| Other long-term liabilities | 50.0 | 50.0 | 50.0 | 50.0 |
| **Total** | **525.0** | **685.0** | **775.0** | **795.0** |

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

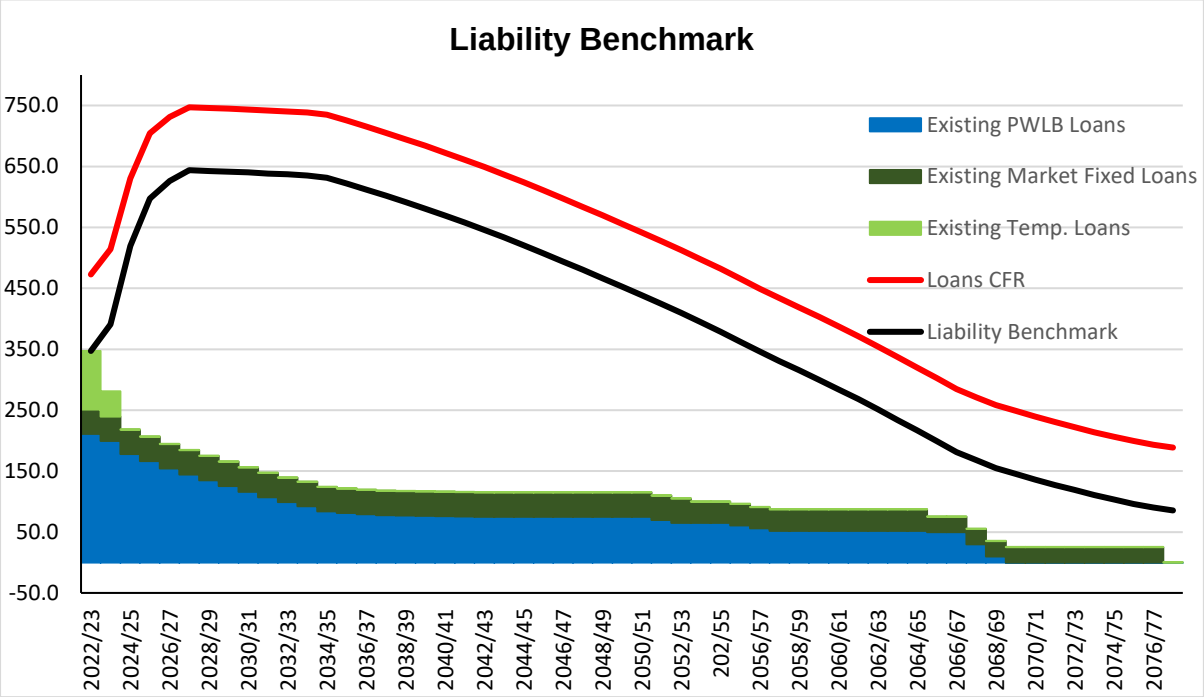
| Authorised Limit (£m) | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | 2026/27 Estimate |
|---|---|---|---|---|
| Debt | 495.0 | 655.0 | 745.0 | 765.0 |
| Other long-term liabilities | 54.0 | 54.0 | 54.0 | 54.0 |
| **Total** | **549.0** | **709.0** | **799.0** | **819.0** |

## 5.0 Liability benchmark:

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as the Capital Financing Requirement (CFR), but that cash and investment balances are kept to a minimum level of £15m at each year-end to maintain sufficient liquidity but minimise credit risk.

| Liability Benchmark (£m) | 31.3.23 Actual | 31.3.24 Estimate | 31.3.25 Forecast | 31.3.26 Forecast | 31.3.27 Forecast |
|---|---|---|---|---|---|
| Loans CFR | 472.799 | 514.258 | 630.400 | 704.426 | 731.008 |
| Less: Balance Sheet Resources | (164.077) | (138.516) | (125.873) | (122.348) | (119.915) |
| **Net Loans Requirement** | **308.722** | **375.742** | **504.527** | **582.078** | **611.093** |
| Plus: Liquidity Allowance | 38.499 | 15.000 | 15.000 | 15.000 | 15.000 |
| **Liability Benchmark** | **347.221** | **390.742** | **519.527** | **597.078** | **626.093** |

Following on from the medium-term forecasts in the table above, the long-term liability benchmark has been calculated (see chart below) and assumes capital expenditure funded by borrowing in line with the capital programme, minimum revenue provision on new capital expenditure based on appropriate asset lives and balance sheet resources reducing in line with anticipated use of reserves.




The liability benchmark is a projection of the amount of loan debt outstanding which the authority needs each year into the future, in order to fund its existing debt liabilities, planned prudential borrowing and other cash flows.

The headroom for the future borrowing requirement is shown by the gap between the authority's existing loans which are still outstanding at a given future date, and the authority's future need for borrowing (as shown by the liability benchmark).

It therefore shows how closely the existing loans book fits the future needs of the authority based only on its current plans. Any shortfall will need to be met by future borrowing; any excess will have to be invested (unless existing borrowing is prematurely repaid). Refinancing risk, interest rate risk and credit

risk can be minimized or reduced by ensuring that the existing loans portfolio shows a profile close to the liability benchmark.

For Telford & Wrekin Council, the benchmark shows that our current level of external borrowing is below the amount needed to fund commitments and therefore future borrowing will be required.

In particular, the liability benchmark identifies the maturities needed for new borrowing, in order to match future liabilities. It therefore avoids borrowing for too long or too short. Local authorities have sometimes used the CFR as their benchmark of borrowing needs, but this is likely to result in substantial over-borrowing because authorities generally have systemic in-hand cash flows and balances which keep actual debt (net of treasury investments) well below the CFR. Borrowing needs are based on cash flows, not the CFR – accepting the need for a reasonable but not excessive holding of short term investments for liquidity management.

The liability benchmark makes no assumption about the level of future prudential borrowing in as yet unknown capital budgets. This avoids making large assumptions which may prove to be spectacularly wrong; but the main reason is that it enables the benchmark to be compared like-for-like with the existing loans portfolio to identify the future borrowing and investment needs arising from the authority's existing plans. It shows us what the current debt maturity profile should be to match the authority's current borrowing commitments less MRP and other forecast cash flows. Matching the portfolio to the need minimises treasury risks.

## 6.0 Security:

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments would be assigned a score based on their perceived risk.

| Credit Risk Indicator | Target |
|---|---|
| Portfolio average credit score | 6 or lower, (which is equivalent to a credit rating of 'A' or higher) |

## 7.0 Maturity Structure of Fixed Rate borrowing:

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment. For loans with Lender Options / Borrower Options (LOBOs) this is assumed as the final maturity date.

| Maturity structure of fixed rate borrowing | Existing level 31.12.23 % | Lower Limit for 2024/25 % | Upper Limit for 2024/25 % |
|---|---|---|---|
| under 12 months | 15 | 0 | 70 |
| 12 months and within 24 months | 22 | 0 | 30 |
| 24 months and within 5 years | 10 | 0 | 50 |
| 5 years and within 10 years | 13 | 0 | 75 |
| 10 years and within 20 years | 7 | 0 | 75 |
| 20 years and within 30 years | 3 | 0 | 75 |
| 30 years and within 40 years | 5 | 0 | 100 |
| 40 years and within 50 years | 18 | 0 | 100 |
| 50 years and above | 7 | 0 | 100 |

## 8.0 Principal sums invested for periods longer than a year:

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| Limit on principal sums invested for periods longer than a year | 2023/24 Estimate % | 2024/25 Estimate % | 2025/26 Estimate % |
|---|---|---|---|
| Limit on total investments | 95 | 95 | 95 |

## Interest Rate Forecasts and Economic Background

### Interest rate forecasts 2023 - 2026

| Link Group Interest Rate View 08.01.24 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 |
| BANK RATE | 5.25 | 5.25 | 4.75 | 4.25 | 3.75 | 3.25 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 3 month ave earnings | 5.30 | 5.30 | 4.80 | 4.30 | 3.80 | 3.30 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 6 month ave earnings | 5.20 | 5.10 | 4.60 | 4.10 | 3.70 | 3.30 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 |
| 12 month ave earnings | 5.00 | 4.90 | 4.40 | 3.90 | 3.60 | 3.20 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 | 3.20 | 3.20 |
| 5 yr PWLB | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 | 3.80 | 3.70 | 3.60 | 3.60 | 3.50 | 3.50 | 3.50 |
| 10 yr PWLB | 4.70 | 4.50 | 4.40 | 4.30 | 4.20 | 4.10 | 4.00 | 3.90 | 3.80 | 3.70 | 3.70 | 3.70 | 3.70 |
| 25 yr PWLB | 5.20 | 5.10 | 4.90 | 4.80 | 4.60 | 4.40 | 4.30 | 4.20 | 4.20 | 4.10 | 4.10 | 4.10 | 4.10 |
| 50 yr PWLB | 5.00 | 4.90 | 4.70 | 4.60 | 4.40 | 4.20 | 4.10 | 4.00 | 4.00 | 3.90 | 3.90 | 3.90 | 3.90 |

PWLB forecasts are based on PWLB certainty rates.

### Economic Background

- The third quarter of 2023/24 saw:
  - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
  - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
  - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
  - Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
  - The Bank of England holding Bank Rate at 5.25% in November and December;
  - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing

by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.

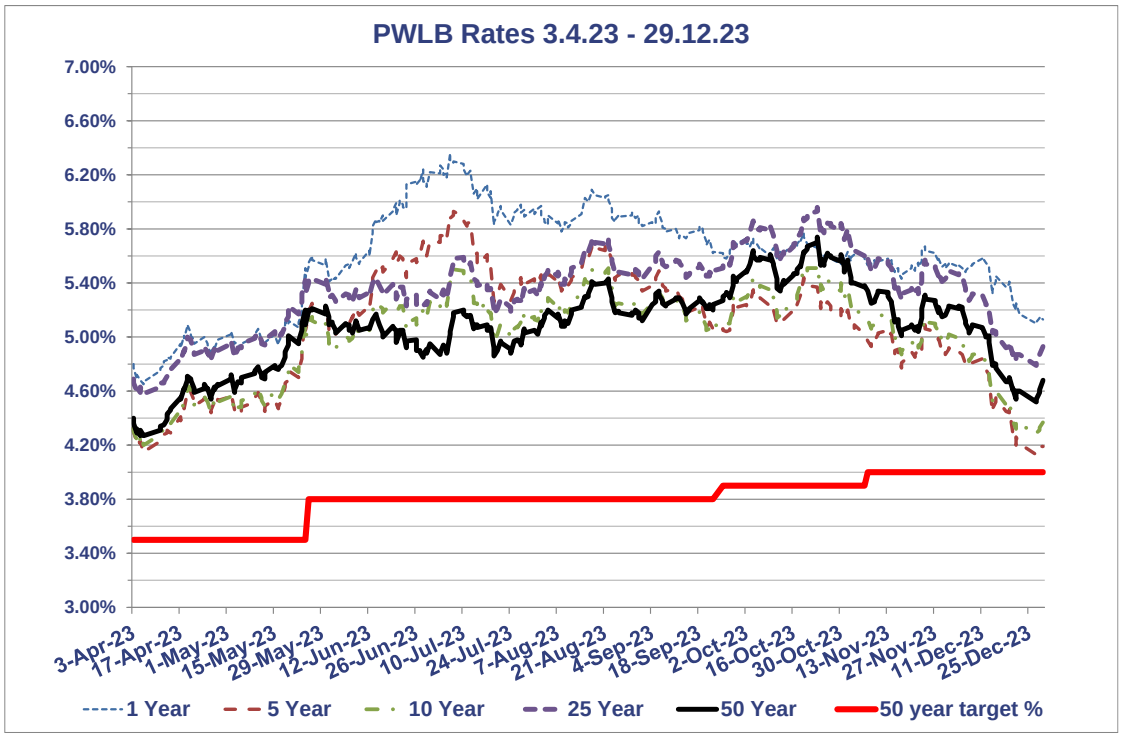
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide's December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to

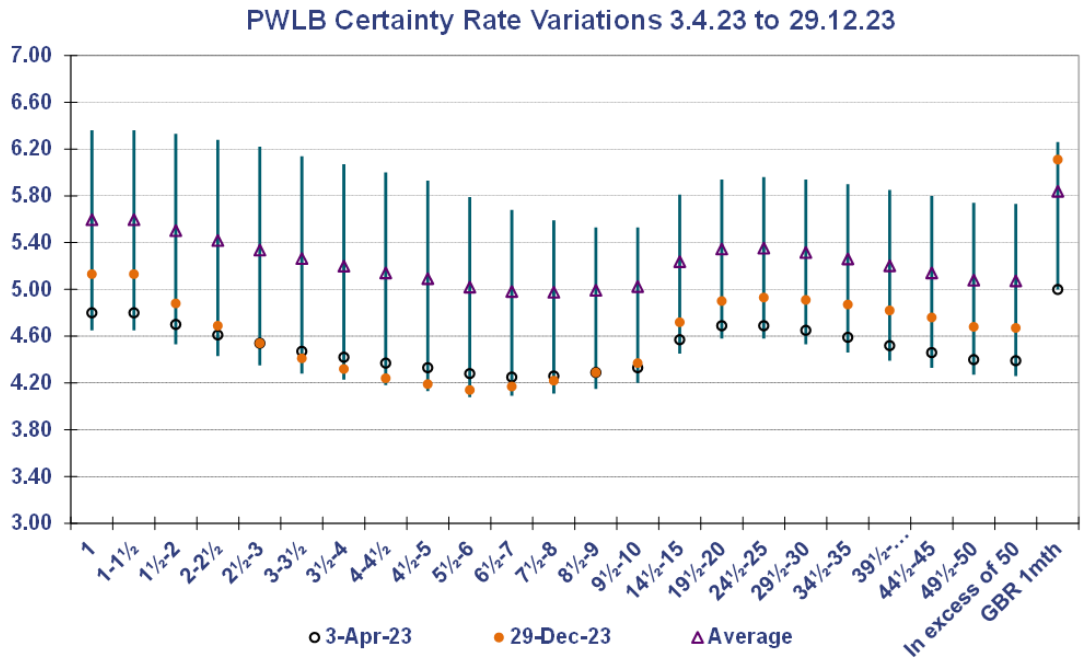
6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.

- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from $1.21 in November to $1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

## PWLB RATES 3.4.23 - 29.12.23



## HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

| | 1 Year | 5 Year | 10 Year | 25 Year | 50 Year |
|---|---|---|---|---|---|
| **Low** | 4.65% | 4.13% | 4.20% | 4.58% | 4.27% |
| **Date** | 06/04/2023 | 27/12/2023 | 06/04/2023 | 06/04/2023 | 05/04/2023 |
| **High** | 6.36% | 5.93% | 5.53% | 5.96% | 5.74% |
| **Date** | 06/07/2023 | 07/07/2023 | 23/10/2023 | 23/10/2023 | 23/10/2023 |
| **Average** | 5.60% | 5.09% | 5.03% | 5.35% | 5.08% |
| **Spread** | 1.71% | 1.80% | 1.33% | 1.38% | 1.47% |

### MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

Appendix iv

**Credit and Counterparty Risk Management**

**Specified Investments:** All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

**Non-specified Investments**: These are any investments which do not meet the specified investment criteria. A maximum of £5m will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

| | **Minimum credit criteria / colour band** | **** Max % of total investments / £ limit per institution** | **Max. maturity period** |
|---|---|---|---|
| DMADF – UK Government | Yellow | 100% | 6 months (max. is set by the DMO*) |
| UK Gilts | Yellow | | 5 years |
| UK Treasury Bills | Yellow | | 364 days (max. is set by the DMO*) |
| Bonds issued by multilateral development banks | Yellow | | 5 years |
| Money Market Funds CNAV | AAA | 100% | Liquid |
| Money Market Funds LNVAV | AAA | | Liquid |
| Money Market Funds VNAV | AAA | | Liquid |
| Ultra-Short Dated Bond Funds with a credit score of 1.25 | AAA | 100% | Liquid |
| Ultra-Short Dated Bond Funds with a credit score of 1.5 | AAA | 100% | Liquid |
| Local Authorities | Yellow | 100% | 5 years |

| | Minimum credit criteria / colour band | ** Max % of total investments / £ limit per institution | Max. maturity period |
|---|---|---|---|
| Term Deposits with Housing Associations | Blue<br>Orange<br>Red<br>Green<br>No Colour | | 12 months<br>12 months<br>6 months<br>100 days<br>Not for use |
| Term Deposits with Banks and Building Societies | Blue<br>Orange<br>Red<br>Green<br>No Colour | | 12 months<br>12 months<br>6 months<br>100 days<br>Not for use |
| CDs or Corporate Bonds with Banks and Building Societies | Blue<br>Orange<br>Red<br>Green<br>No Colour | | 12 months<br>12 months<br>6 months<br>100 days<br>Not for use |
| Gilt Funds | UK sovereign rating | | |

**Approved Countries for Investments**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

***Based on lowest available rating***

**AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

**AA+**

- Canada
- Finland
- U.S.A.

**AA**

- Abu Dhabi (UAE)

**AA-**

- Belgium
- France
- Qatar
- **U.K.**

## Treasury Management Scheme of Delegation

### (i) Full Council

- approval of annual strategy and mid year update and annual report, and
- approval of/amendments to the organisations adopted clauses, treasury management policy, treasury management practices, treasury management indicators and prudential indicators

### (ii) Full Council / Cabinet

- budget consideration and approval, and
- receiving and reviewing regular monitoring reports and acting on recommendations,

### (iii) Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body, Full Council.

## The Treasury Management Role of the Section 151 Officer

### The S151 (responsible) officer

The Council's S151/Chief Financial Officer has delegated authority for all Treasury Management activities and decisions, including borrowing and investments, as long as they are within the overall approved Treasury Management Strategy.

- Recommending the Treasury Management Strategy, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;

- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

**Ethical Investment Framework – Telford and Wrekin Council**

At the current time the Council's treasury activity consists principally of making short-dated loans to the UK Government (through the Debt Management Agency Deposit Facility) and to banks and building societies which adheres to the S-L-Y principles of (Security, Liquidity and Yield, in that order).

The preservation of capital is the Council's principal and overriding priority. The banks and building societies on the Council's lending list are selected only if the institutions and the sovereign meet a minimum credit criteria. In accordance with its social and corporate governance responsibilities, the Council seeks to support institutions which additionally have an ethical and responsible approach to environmental and social issues including employment and global trade. These "ethical" criteria and their basis are described below.

## 1. Environmental and Social Standards

Equator Principles

The Equator Principles (EPs) are a voluntary set of guidelines based on the environmental and social standards practiced by the International Finance Committee when evaluating financing projects. Financial institutions that adopt the Principles agree to use a screening process aiming to ensure that environmental and social assessments help inform decisions to finance development projects. This allows signatories to engage proactively with their stakeholders on environmental and social policy issues.

The EPs are a screening framework for determining, assessing and managing environmental and social risk in project finance transactions for major infrastructure and industrial projects. The EPs are adopted voluntarily by financial institutions and are applied where total project capital costs exceed US$10 million. The EPs are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. They are based on the International Finance Corporation's performance standards on social and environmental sustainability and on the World Bank Group Environmental Health and Safety Guidelines.

Financial institutions which are signatories to the EPs commit to not providing loans to projects where the borrower will not or is unable to comply with their respective social and environmental policies and procedures that implement the EPs.

The following banks relating to institutions on the Council's lending list have adopted the Equator Principles:

- Lloyds Banking Group (parent of Bank of Scotland plc and Lloyds Bank plc)
- Banco Santander (parent of Santander UK plc)
- Svenska Handelsbanken AB (parent of Handelsbanken UK)
- Barclays plc (parent of Barclays Bank)
- HSBC Holding plc (parent of HSBC plc)
- Nat West Group plc
- Royal Bank of Scotland

- Standard Chartered plc
- Australia and New Zealand Banking Group
- Commonwealth Bank Australia
- Westpac Banking Corp.
- Bank of Montreal
- Bank of Nova Scotia
- Canadian Imperial Bank of Commerce
- Royal Bank of Canada
- Nordea Bank Finland
- Deutche Bank AG
- ING Bank NV
- Credit Suisse
- JP Morgan Chase Bank

http://www.equator-principles.com/index.php/members-reporting

## 2. Human Rights, Labour and Environment

The **UN Global Compact** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Corporations which sign up to the UN Global Compact are encouraged to themselves embrace and in turn, support and enact, within their sphere of influence, a set of core values which are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The following banks relating to institutions on the Council's lending list are participants/stakeholders of the UN Global Compact:

- Lloyds Banking Group
- Svenska Handelsbanken AB
- Gruppo Santander (ultimate parent of Santander UK plc)
- HSBC
- Royal Bank of Scotland
- Standard Chartered
- Nationwide Building Society
- NatWest Group plc
- The Royal Bank of Scotland Group
- Australia and New Zealand Banking Group
- Commenwealth Bank of Australia
- National Australia Bank
- Westpac Banking Corp.
- Nordea Bank AB
- ING Bank NV
- Rabobank Group
- DBS Bank Ltd
- Credit Suisse

http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html

**Limitations to ethical policies:**

It should be noted here that the individual institutions which have signed up to the Equator Principles and to the Global Compact screen borrowers before lending for infrastructure and industrial projects.

However, financial institutions also engage daily in money market and interbank lending transactions; the criteria for such lending is based primarily on credit risk assessment (i.e. the assessment of their lending being repaid in full and on time when it is due). Being a signatory to the EPs will not necessarily be a critical feature of such credit assessment and the Council is not in a position to monitor interbank lending. The same applies to an individual financial signing up to the UN Global Compact.

It should also be noted that becoming a signatory of voluntary guidelines (Equator Principle or Global Compact) does not guarantee that that institution's policies and practices are of a better standard than those institutions which are not signatories to the voluntary guidelines.

**Activist investment**: The Council does not invest directly in shares traded on the markets or in corporate bonds. Not only are such investments inherently higher risk investments, and requires a distinct and separate set of fund management expertise. Under current legislation (SI 2003 No 3146) the purchase of share capital or loan capital of a body corporate is a capital expenditure investment which, on sale or maturity, becomes a capital receipt and is unsuitable for the Council's treasury investments which are primarily the cash management of its operating surpluses and reserves. Corporate bond and equity investments would however be made by the Council's pension fund (run by Shropshire Council.

Other than through its pension fund (which is measured by Shropshire Council), the Council cannot seek to influence decision making at a company by voicing concerns, engaging in a dialogue with management, or lobbying other shareholders for support. Activist investors attempt to purchase sufficient shares or obtain seats on the board with the goal of effecting major change in the company to make the company more valuable financially or socially (for example to change management policies and adopt better governance; optimise shareholder value through acquisitions/divestitures, be more socially responsible etc).

**Credit Ratings – A Guide**.

***Long-term credit ratings and Sovereign Ratings***

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

**Investment grade**

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

**Non-investment grade**

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

***Short-term credit ratings***

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D** : the obligor is in default as it has failed on its financial commitments.

## Support Ratings (1 – 5)

### The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

### Timeliness and Effectiveness Requirements

Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

### Obligations and Financial Instruments Covered

In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

### Definitions:

**1**: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

**2**: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

**3**: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

**4**: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

**5**: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

**GLOSSARY**

| Term | Meaning |
|---|---|
| Annuity | A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion in interest reduces and the proportion of principal repayment increases over time. |
| Authorised Borrowing Limit | The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator. |
| Bail-in | A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out |
| Bail-out | A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of the taxpayer. |
| Call account | A deposit account that can be called back, normally on instant access. |
| Capital Financing Requirement CFR) | This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities. |
| Credit Default Swaps (CDS) | CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation. |
| Credit Ratings | Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moody's using market intelligence they gather. |
| Credit Risk | The risk that the debtor will default on their obligations |
| Counterparty | The organisation that you are conducting your business with. |
| Debt Management Account Deposit Facility (H.M. Treasury) | Provided by the Debt Management Office, users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating. |
| Derivative Instruments | A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from |

| Term | Meaning |
|---|---|
| | the value of a stock. An interest rate swap is a derivative because it derives its value from one or more interest rate indices. |
| Discounts | These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early. |
| Fund Managers | Independent investment managers who work to a specific mandate and if appointed invest funds on behalf of the Council |
| IFRS | International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010. |
| Inflation | The rise in prices of goods and services over a period of time. |
| Interest Rate Risk | The risk that the value of an investment will change due to changes to the interest rate. |
| Internal Borrowing | This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market. |
| Liquidity Risk | The risk of not being able to trade an investment quickly to release cash. |
| LOBO | Lender's Option Borrower's Option – a long term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially. |
| Minimum Revenue Provision (MRP) | This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure. |
| Money Market Fund (MMF) | Mutual funds that invest in short term debt instruments. They offer a higher level of security than banks and interest rates are generally higher. |
| Obligor | An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds. |
| Operational Borrowing Limit | The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator. |

| Term | Meaning |
|---|---|
| Premia | This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken. |
| Prudential Code | A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities. |
| Prudential Indicators | A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority. |
| PWLB | Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow. |
| Quantitative Easing | This is where the government buy back their own gilt issuance to effectively pump money into the financial markets of the economy. |
| Re-scheduling | This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates |
| Return | The gain from holding an investment over a given period |
| Security | An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity. |
| SONIA | Sterling Overnight Interbank Average – a key Bank of England interest rate benchmark; it is a measurement of the cost of borrowing and reflects the average of interest that banks pay to borrow sterling overnight from other financial institutions. |
| Sovereign Exposure | Risk of exposure to one particular country. |
| Supranational Bonds | These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure. |
| Treasury Management Code (TM Code) | CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard. |

Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Full Council Report

## 29 February 2024

## 2024/25 Prudential Indicators

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| | |
|---|---|
| **Cabinet Member:** | Cllr Nathan England - Cabinet Member: Finance, Customer Services & Governance |
| **Lead Director:** | Michelle Brockway - Interim Director: Finance & Human Resources |
| **Service Area:** | Finance & Human Resources |
| **Report Author:** | Edward Rushton - Group Accountant |
| **Officer Contact Details:** | **Tel:** 01952 383750 **Email:** edward.rushton@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024<br>Full Council – 29 February 2024 |

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### 1.0 Recommendations for decision/noting:

Full Council is recommended to:

1.1 Approve the prudential indicators proposed in this report.

### 2.0 Purpose of Report

2.1 To consider the prudential indicators for 2024/25 to 2026/27 required under the Prudential Code of Capital Finance in Local Authorities and to approve the indicators for 2024/25.

## 3.0 Background

3.1 Following extensive consultation, CIPFA published revised codes on 20th December 2021. The revised reporting requirements, as detailed below, include changes to the capital strategy, prudential indicators and investment reporting. The general ongoing principles of the revised Prudential Code, including the requirement that an authority must not borrow to invest primarily for financial return, applied with immediate effect.

The Treasury Management in the Public Services: Code of Practice (CIPFA, 2021) and the accompanying Guidance Notes set out good practice in treasury management and are complementary to this Code.

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (2021 Edition) (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.

The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year). This helps ensure stability over the medium term; for example a variable rate loan currently at 2.5% may be less attractive than a fixed rate loan at 2.8% if there is thought to be a reasonable possibility that variable rates will rise above 3.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.

The code also requires authorities with significant investments to set indicators associated with lending money.

## 4.0 Summary of main proposals

4.1 Section 5 of the report considers the indicators and recommends what the indicators should be for 2024/25. In most cases indicators have to be provided for 3 financial years ahead, so figures are also provided for 2025/26 and 2026/27. In proposing these indicators a pragmatic approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered therefore, this set of proposed indicators is consistent with the assumptions used throughout the suite of MTFS reports.

For each indicator, ***the CIPFA requirements of the code are set out in bold italics.*** The limits proposed by the Chief Finance Officer for 2024/25 are then set

out. An explanation is provided, unless the indicator and limits are completely self-explanatory.

## 5.0 Prudential Indictaors

### 5.1 Prudential Indicators of Affordability – Ratio Affordability Measure

***The local authority will estimate for the forthcoming financial year and the following two financial years the ratio of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of ratio of financing costs to net revenue stream.***

In Telford & Wrekin's case this indicator makes more sense if Local Government Reorganisation (LGR) debt paid over to Shropshire Council is included***.***

| | **Year 1 2024/25** | **Year 2 2025/26** | **Year 3 2026/27** |
|---|---|---|---|
| Ratio of financing cost to net revenue stream | 8.54% | 9.27% | 9.42% |

The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio between 2025/26 and 2026/27 (which is broadly inline with the expected prudential borrowing noted in 5.5).

### 5.2 Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures

This Indicator does not apply to Telford & Wrekin Council as the Council does not operate council housing through a "Housing Revenue Account".

### 5.3 Estimates of Capital Financing Requirement

***The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:***

***<u>Estimate of capital financing requirement</u> as at the end of years 1, 2 and 3*.**

The capital financing requirement is a concept in the Prudential System, but can simply be understood as the Council's underlying need to borrow money over the long term. The code requires that the figure is calculated gross, to include debt that is paid for by other authorities following Local Government Reorganisation (LGR), so in Telford & Wrekin's case, these figures have limited meaning, and locally the indicator needs adjusting for LGR debt.

The table below shows the estimated cumulative **Capital Financing Requirement (CFR)** at a point in time. These estimates include the impact of the Public Finance Initiative.

| | 31/03/24 £m | 31/03/25 £m | 31/03/26 £m | 31/03/27 £m |
|---|---|---|---|---|
| Estimated Total CFR | 558.8 | 671.6 | 742.9 | 769.1 |

The movement in the CFR is consistent with other planning assumptions.

The purpose of the **Gross Debt and Capital Financing Requirement** is to highlight a situation where the Council is planning to borrow in advance of need. If Gross Debt exceeds CFR (which they don't) they would indicate we are borrowing in advance of need.

| | 31/03/24 £m | 31/03/25 £m | 31/03/26 £m | 31/03/27 £m |
|---|---|---|---|---|
| Estimated Outstanding Borrowing (at nominal value) | 375.8 | 493.7 | 569.4 | 597.8 |
| Other long term Liabilities | 44.6 | 41.2 | 38.4 | 38.1 |
| **Gross Debt** | **420.4** | **534.9** | **607.8** | **635.9** |

## 5.4 Treasury Management Prudential Indicators

The Council adopted the revised CIPFA Code of Practice for Treasury Management in Public Services at its meeting in March 2010. Treasury Management Practices (TMPs) have been established by the Chief Finance Officer in line with the advice of our Treasury Management Advisors and are kept up to date with support from our Treasury Management Advisors. Although not a formal indicator, the Council must have regard to the Treasury Management Code.

## 5.5 Capital Expenditure and Capital Commitments Prudential Indicators

***The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:***

***Estimate of total capital expenditure to be incurred in years 1, 2 and 3***

The Medium Term Financial Strategy and Capital Programme report to Council for 2024/25 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are -

| | 2024/25 £m | 2025/26 £m | 2026/27 £m |
|---|---|---|---|
| Prudential Borrowing | 117.873 | 75.719 | 28.433 |
| Grant Funded | 44.061 | 19.292 | 0.207 |
| Revenue / External | 10.308 | 3.075 | 0.000 |
| Capital Receipts | 7.556 | 0.000 | 0.000 |
| **Total** | **179.798** | **98.086** | **28.640** |

It is only the row relating to prudential borrowing that impacts on prudential indicators. These figures include further investment in NuPlace, the Council's wholly owned Housing Company, and Property Investment Portfolio both of which should generate returns for the Council well in excess of the associated debt charges and in addition to the significant community benefits that these schemes provide.

***After the year-end, the actual capital expenditure incurred during the financial year will be recorded. This prudential indicator will be referred to as:***

***Actual capital expenditure***

Actual capital expenditure for 2022/23: £75.704m

Estimated capital expenditure 2023/24: £90.047m

## 5.6 External Debt Prudential Indicators

### Authorised Limit

***The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:***

***Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.***

The recommended Authorised Limit for External Debt for:

| Authorised Limit | 2024/25 £m | 2025/26 £m | 2026/27 £m |
|---|---|---|---|
| Borrowing | 655.0 | 745.0 | 765.0 |
| Other Long Term Liabilities | 54.0 | 54.0 | 54.0 |

This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out in section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

### Operational Boundary

***The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:***

***<u>Operational Boundary</u> = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.***

The operational boundary is a measure of the maximum amount that the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem.

The Recommended Operational boundary for External debt is:

| **Operational Boundary** | **2024/25 £m** | **2025/26 £m** | **2026/27 £m** |
|---|---|---|---|
| External Debt | 635.0 | 725.0 | 745.0 |
| Other Long Term Liabilities | 50.0 | 50.0 | 50.0 |

## 5.8 Interest Rate Exposure

***The local authority will set, for the forthcoming year and the following two years, limits to its <u>exposures</u> to the effects of changes in interest rates. These prudential indicators will relate to both variable interest rates and fixed interest rates and will be referred to respectively as the upper limits on variable and fixed interest rate exposures.***

There is no requirement in the code to set lower limits; however, given the risks associated with having excessively high relatively short fixed, or variable rate borrowing, it is suggested that lower limits are set locally for longer maturing fixed rate borrowing.

### Variable rate exposures

***Borrowing that is at variable rates LESS Investments that are variable rate investments***

The limits proposed are as follows;

| | **2024/25** | **2025/26** | **2026/27** |
|---|---|---|---|
| Net variable limit | 70% | 70% | 70% |

We have also set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. The limit proposed would be as follows;

| | **2024/25** | **2025/26** | **2026/27** |
|---|---|---|---|
| Upper limit | 70% | 70% | 70% |

### Fixed Interest Rate Exposure

***Borrowing that is at fixed rates LESS Investments that are fixed rate investments***

***Expressed as a percentage or absolute of total borrowing less investments*.**

The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows:

| Fixed Rate Risk | 2024/25 | 2025/26 | 2026/27 |
|---|---|---|---|
| Upper limit | 100% | 100% | 100% |
| Lower limit | 30% | 30% | 30% |

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

**5.9 Prudential limits for the maturity structure of fixed rate borrowing**

***The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows***

Amount of projected borrowing that is fixed rate maturing in each period Expressed as a Percentage of Total projected borrowing that is fixed rate at the start of the period*, where the periods in question are*

- ***Under 12 months***
- ***1 year and within 2 years***
- ***2 years and within 5 years***
- ***5 years and within 10 years***
- ***10 years and within 20 years***
- ***20 years and within 30 years***
- ***30 years and within 40 years***
- ***40 years and within 50 years***
- ***50 years+***

The proposed prudential limits are as follows;

| Maturity | Lower Limit % | Upper Limit % |
|---|---|---|
| Under 12 months | 0 | 70 |
| 1-2 years | 0 | 30 |
| 2-5 years | 0 | 50 |
| 5-10 years | 0 | 75 |
| 10-20 years | 0 | 75 |
| 20-30 years | 0 | 75 |
| 30-40 years | 0 | 100 |
| 40-50 years | 0 | 100 |
| Over 50 years | 0 | 100 |

Under the investment guidance issued by DLUHC the Council needs to set indicators for ***principal sums invested for periods longer than 1 year*.** It is recommended that we set the following limit -

Maximum principal investment that can be invested for more than 1 year

| | 2024/25 | 2025/26 | 2026/27 |
|---|---|---|---|
| Upper limit | 95% | 95% | 95% |

## 6.0 Alternative Options

6.1 The Prudential Indicators are set in accordance with the requirements of the Prudential Code for Capital Finance in Local Authorities.

## 7.0 Key Risks

7.1 The Prudential Indicators are set to mitigate risks in relation to Treasury Management Activities.

## 8.0 Council Priorities

8.1 Effective management of the Council's Treasury portfolio helps support the Council's overall financial position through minimising borrowing costs and optimising investment income whilst following the principles of Security, Liquidity and Yield; and therefore supports the delivery of all Council priorities.

## 9.0 Financial Implications

9.1 The prudential indicators provide a framework for 2024/25 in which the Council conducts its treasury activities, consistent with good treasury risk management.

The code indicates that "in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios." The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.

In setting or revising its prudential indicators, the Council is required to have regard to the following matters:

- service objectives, e.g. strategic planning for the authority,
- stewardship of assets, e.g. asset management planning,
- value for money, e.g. option appraisal,
- prudence and sustainability, e.g. risk, implications for external debt and whole life costing,
- affordability, e.g. implications for council tax, and
- practicality, e.g. achievability of the forward plan.

The first 3 items are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Item 4 is inherent to the prudential indicator setting process and Items 5 and 6 in financial terms have been taken account of by the Chief Finance Officer in presenting the Medium Term Financial Strategy.

## 10.0 Legal and HR Implications

10.1 Under s.15 Local Government Act 2003, local authorities are required to have regard to any statutory guidance. CIPFA's Prudential Code for Capital Finance in Local Authorities is considered to be mandatory guidance for the purpose of the LGA 2003 and sets out that prudential indicators must be set annually.

## 11.0 Ward Implications

11.1 There are no impacts on specific wards in this report.

## 12.0 Health, Social and Economic Implications

12.1 The Economic Climate has direct relevance to Treasury Management and is covered in detail in the report and accompanying appendices.

## 13.0 Equality and Diversity Implications

13.1 N/A

## 14.0 Climate Change and Environmental Implications

14.1 N/A

## 15.0 Background Papers

1 CIPFA Treasury Management in the Public Services – Code of Practice and cross-sectional guidance notes (2021 edition)
2 CIPFA The Prudential Code for Capital Finance in Local Authorities (2021 edition)
3 Local Government Act 2003

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Finance | 18/01/2024 | 18/01/2024 | PH |
| Legal | 18/01/2024 | 22/01/2024 | RP |
| Director | 18/01/2024 | 18/01/2024 | MLB |

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Cabinet

## Thursday 15 February 2024

## Telford & Wrekin Council Housing Management Board

| | |
|---|---|
| **Cabinet Member:** | Cllr Richard Overton - Deputy Leader and Cabinet Member: Homes & Enforcement |
| **Lead Director:** | Katherine Kynaston - Director: Housing, Employment & Infrastructure |
| **Service Area:** | Housing, Employment & Infrastructure |
| **Report Author:** | Toni Guest - Housing, NuPlace & Commercial Projects Service Delivery Manager |
| **Officer Contact Details:** | **Tel:** 01952 381360 **Email:** toni.guest@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Not Key Decision |
| **Forward Plan:** | Not Applicable |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024 |

**1.0 Recommendations for decision/noting:**

It is recommended that Cabinet:

1.1 Approve the creation of a Housing Management Board with responsibility for all aspects of the management, operation and oversight of the Council's responsibilities as Local Housing Authority, including the approval and adoption of any and all associated policies;

1.2 Delegate authority to the Housing Management Board to confirm and adopt suitable Terms of Reference;

1.3 Note the work which has been undertaken so far in respect of the Council's responsibilities as a Registered Provider of housing and Local Housing Authority; and

1.4 Require the Housing Management Board to provide an annual update of its work and decisions to Cabinet.

## 2.0 Purpose of Report

2.1 The purpose of the report is to seek Cabinet's agreement for the creation of a Housing Management Board that will provide oversight and compliance for properties owned by Telford & Wrekin Council under their Registered Provider (RP) status and have responsibility for all aspects of the Council's role as Local Housing Authority. The Board will comprise of Cabinet Members and Senior Officers of the Council chaired by the Cabinet Member with responsibility for Housing. While the Council is not a major stockholder it does manage a number of properties including supported and specialist provision and as regulation of the sector increases needs to ensure appropriate, senior oversight and compliance. The recent and proposed purchasing of properties as part of a number of schemes to help meet gaps within the market now requires us to ensure compliance and this new Housing Management Board will enable a strategic oversight and governance to achieve this.

2.2 It is proposed that the Housing Management Board should have authority to make relevant changes to related housing policies, procedures and documents, ensuring that the Council complies fully with the regulatory requirements on it as both a Registered Provider and as Local Housing Authority. The Housing Management Board will be best placed to ensure that the Council is able to meet the current and future local needs and provision within the Borough. Having oversight of the needs and gaps in the local market in order to develop the current housing stock and influencing other providers to meet need, or where this is not feasible to intervene in the current market and provide evidenced decisions in developing and managing properties ourselves. The Board would refer new or updated strategies or policies which constitute a key decision or where these are considered by the Board to have wider strategic implications, to Cabinet.

2.3 The Housing Management Board will operate separately but in parallel to the existing Housing Investment Programme Board which provides oversight to the investment being made through the Council's wholly owned Housing Company (Nuplace and Telford & Wrekin Homes) to deliver privately rented accommodation. These properties do not fall under the Council's Registered Provider stock holding responsibilities.

## 3.0 Background

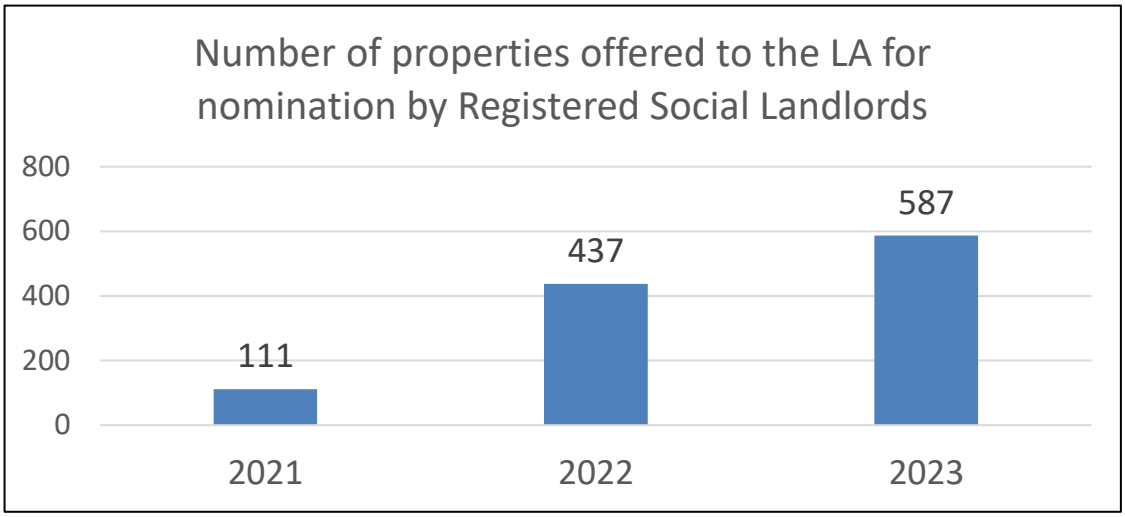
3.1 Telford & Wrekin Council transferred their housing stock to the Wrekin Housing Group in 1999 as part of a government driven programme for housing.

3.2 Telford & Wrekin Council became a Registered Provider of Housing in September 2020, following the purchase of 13 properties under a grant to provide specialist accommodation to house street sleepers during the pandemic. Since the initial purchase additional properties have been acquired to meet some of the gaps in the current market around specialist accommodation provision. At present, the Council has 169 properties: 84 properties provide specialist supported accommodation and 2 general needs accommodation and are part of our registered provider status. Under national guidance properties that are used for providing temporary accommodation under our homelessness duty are not included under the registered provider status. This accounts for the remaining 83 properties.

3.3 Telford & Wrekin Council are growing their property portfolio on a targeted basis based on the identified needs of the local community and gaps in the current market. The current housing crisis nationally is highlighting a shortage of accommodation and specifically for those most vulnerable and in need of affordable housing. Examples of interventions to date include the purchase of 12 units of accommodation providing emergency accommodation for Children & Young People and 23 properties to accommodate Adults with Learning Disabilities offering both scheme based and individual accommodation with care and support one of which is to support an individual with complex continuing health care needs.

3.4 Alongside the delivery of accommodation directly, the Council is also working with other registered providers operating within Telford & Wrekin Council to ensure their accommodation is also benefitting the most vulnerable and their development programmes are delivering the right type of accommodation including an increasing proportion of adapted and specialist accommodation. Through the development of the nominations process we have seen a significant increase in

homeless and vulnerable clients being nominated and moved into homes.




3.5 The Housing Management Board will be supported by a cross service Officer Group chaired by the Director – Housing, Employment & Infrastructure. This will develop and bring forward to the Board a series of policies for approval in order to be compliant as a registered housing provider as outlined by the Regulator of Social Housing and advise the Board on changes in legislation and regulation.

## 4.0 Summary of main proposals

4.1 Cabinet is asked to agree to the creation and setting up a new Housing Management Board to deliver oversight and compliance for properties owned by Telford & Wrekin Council under their Registered Provider status. This board will ensure that the council is operating in accordance with the objectives of the Social Housing Regulator.

4.2 It is also proposed to delegate authority to the Housing Management Board for decisions relating to the Council's responsibilities as Local Housing Authority, with key strategic decisions being taken to Cabinet for approval. This will allow the Housing Management Board to have strategic oversight of all matters which pertain to the way in which its housing stock is let and managed and crucially, the policies and procedures which will apply to our tenants and the way in which their tenancies are managed. This oversight will mean that there is a single accountable body for all these related elements of housing work.

4.3 It is proposed that the Housing Management Board consists of 3 Cabinet Members, namely the Deputy Leader and Cabinet Member: Homes & Enforcement, Cabinet Member: Place (The Economy & Neighbourhood Services), Cabinet Member for Healthy, Safer and Stronger Communities and Partnerships, the Executive Director for Housing, Communities & Customer Services and Director: Housing, Employment and Infrastructure, supported by relevant Senior Managers..

4.4 The Housing Management Board will also continue to lead the strong partnership working which has been undertaken with other local registered social landlords and housing providers through close oversight of the Council's allocations and subsequent nominations processes.

4.5 It is proposed that the Housing Management Board will be able to look at current gaps within the market and identify potential solutions to address emerging needs and quickly respond to changes in the market.

4.6 The Council is working with local housing providers and successfully housing a significant number of residents through the nominations process. By delegating oversight of the allocations process and policy to the Housing Management Board, the Council will be able to ensure that as changing needs and themes emerge, the Council will be able to quickly respond if required.

4.7 Finally, it is proposed that the Housing Management Board be required to provide an annual update of the matters it has decided and actions taken in respect of managing the Council's Housing Authority duties to Cabinet. This will provide information and reassurance around its activities.

## 5.0 Alternative Options

5.1 Cabinet could choose not to create a separate Housing Management Board and link these functions with the Housing Investment Programme Board. Having a single accountable body responsible for drawing together the various strands of housing work could allow the Council to work flexibly to identify future needs. However, there are different regulatory requirements on the Council's owned stock to the privately rented accommodation owned and managed by the Council's wholly owned housing company. In addition, the scope of oversight of the Housing Regulator is only likely to expand, meaning there will be a need for dedicated oversight of the Council's Local Housing Authority duties.

## 6.0 Key Risks

6.1 There is a risk that as the regulatory landscape expands, without a dedicated body to oversee the work, the way in which the Council's housing functions are operated will not be consistent and will not work best to achieve the Council's aims and objectives. This could lead to legal challenges.

## 7.0 Council Priorities

7.1 This report supports the following Council priorities:

- Every child, young person and adult lives well in their community

- Everyone benefits from a thriving economy
- All neighbourhoods are a great place to live

## 8.0 Financial Implications

8.1 There are no costs associated with the creation of the proposed Housing Management Board. There is no Special Responsibility Allowance payable to the Cabinet Members involved and officer costs are already met from existing budgets.

## 9.0 Legal and HR Implications

9.1 Decisions related to Housing are matters which are presently reserved to the Council's Cabinet as set out in the Council's Constitution and are powers which the Cabinet may exercise as per the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2012. Cabinet has the power to delegate functions to a board of this nature by virtue of section 9E(3) Local Government Act 2000.

9.2 By ensuring the proposed Housing Management Board reports back to Cabinet on at least an annual basis, Cabinet will be provided with reassurance around the continued compliance of the Council with requirements of the Regulator of Social Housing and the Council's registered provider status. Advice will be provided on an ongoing basis by Legal Services as new proposals emerge or in response to legislative changes.

9.3 There are no direct HR implications arising from this report.

## 10.0 Ward Implications

10.1 This report covers all wards and outlines our positive interventions within housing across the Borough.

## 11.0 Health, Social and Economic Implications

11.1 The relationship between housing and health is widely recognised. Not only poor housing conditions but having access to the right accommodation is important to both physical and mental health. This report works towards a positive step in setting out a reporting mechanism to identify gaps and looking at addressing needs.

11.2 With the current housing crisis, having access to affordable accommodation is difficult which places further strain on residents both social and economic situation. The work carried out through this report positively works to address this through increased successful nominations with local providers into affordable accommodation and supporting the delivery directly and/or via influencing the market to meet current and future housing needs. This includes provision that will support vulnerable young people, adults and those facing homelessness.

## 12.0 Equality and Diversity Implications

12.1 All housing related work carried out as part of this report will be in accordance with local needs and developed with regard to the legal requirements of the Public Sector Equality Duty

## 13.0 Climate Change and Environmental Implications

13.1 There are no direct climate change and environmental implications arising from the proposals set out in this report. The Council has made a commitment to reduce climate change emissions from direct operations to zero by 2030. While the Council cannot legislate for how people live in properties it rents, consideration is given to ensuring new accommodation delivered is energy efficient, meets future homes standards and supports a reduction in carbon emissions.

## 14.0 Background Papers

None

## 15.0 Appendices

None

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Legal | 03/01/2024 | 04/01/2024 | RP |
| Finance | 03/01/2024 | 05/01/2024 | AEM |
| Director | 03/01/2024 | 10/01/2024 | KK |

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Borough of Telford and Wrekin

## Cabinet

## 15 February 2024

## Building Safer, Stronger & Healthier Communities through better Air Quality

| | |
|---|---|
| **Cabinet Member:** | Cllr Richard Overton, Deputy Leader, and Cabinet Member for Homes & Enforcement |
| **Lead Director:** | Dean Sargeant – Director: Neighbourhood & Enforcement Services |
| **Service Area:** | Neighbourhood Enforcement |
| **Report Author:** | Paul Fenn – Neighbourhood Enforcement Manager |
| **Officer Contact Details:** | **Tel:** 01952 382107 **Email:** paul.fenn@telford.gov.uk |
| **Wards Affected:** | All Wards |
| **Key Decision:** | Key Decision |
| **Forward Plan:** | Yes - 12 July 2023 |
| **Report considered by:** | SMT – 16 January 2024<br>Business Briefing – 25 January 2024<br>Cabinet – 15 February 2024 |

**1.0 Recommendations for decision/noting:**

It is recommended that Cabinet:

1.1 Approves the Air Quality Strategy, at Appendix 1;

1.2 Delegates authority to the Director Neighbourhood & Enforcement Services, in consultation with the Cabinet Member for Housing & Enforcement to make ongoing changes to the strategy as required;

1.3 Endorses and support the development of an Action Plan which will provide the framework for monitoring and managing air quality within the Borough;

1.4 Approves an update being provided to the Health and Wellbeing board;

1.5 Note the success of external funding bid and actions that have been completed in respect of air quality management and monitoring to date.

## 2.0 Purpose of Report

2.1 The purpose of the report is to provide an update on how the council will continue to build safer, stronger & healthier communities through better air quality and seek approval of the new Air Quality Strategy as contained within Appendix 1.

2.2 If approved, the overall aim of the Air Quality Strategy is to set out the framework for managing and improving air quality across the borough. The Strategy ensures sustainable links between air quality and the Councils' carbon neutral action plan.

## 3.0 Background

3.1 Telford & Wrekin Council is committed to building safer, stronger & healthier communities while protecting and enhancing our environment.

3.2 According to UK Health Agency, poor air quality is the largest environmental risk to public health in the UK. Air pollution can cause chronic conditions such as cardiovascular and respiratory diseases as well as lung cancer, leading to reduced life expectancy.

3.3 Air quality in the Borough is overall very good with monitoring undertaken demonstrating that it is compliant with national thresholds. Unlike many other areas across the country, there is no Air Quality Management Area (AQMA) in place as these are typically designated to areas where concentrated levels of emissions are higher than permitted levels.

3.4 In 2023, Government announced new air quality monitoring targets to tackle the health impacts resulting from poor air quality. The World Health Organisation published Air Quality Guidelines in 2021 with more stringent level for Nitrogen Dioxide ($NO_2$) and Particulate Matter (PM).

3.5 The Air Quality Strategy sets out measures that the Council will undertake to further enhance air quality in the borough to ensure that Governments new targets will be achieved. The Strategy has three priority aims:

- Maintain and improve air quality in the context of area wide growth;
- Tackle air quality inequalities by reducing the impact that poor air quality has on vulnerable groups and communities;
- Link air quality to the climate agenda with a focus on emission reduction for carbon as well as air pollutants.

3.6 The priority aims will be supported by the following objectives:

- Reduce annual Nitrogen Dioxide concentrations across the borough;
- Work with regional and national partners to reduce emissions of Particulate Matter ($PM_{2.5}$);
- Reduce air quality impacts on vulnerable groups and communities.
- Work with internal and external partners to prioritise carbon reduction measures that improve local air quality;

3.7 The aims and objectives of the Strategy are underpinned by the following key actions:

- Planning and new development initiatives;
- Focus on reducing emissions from transport;
- Reducing emissions from industrial, commercial agricultural and domestic sectors;
- Tackling health inequalities linked to air quality;
- Prioritising carbon reduction measures that improve air quality;

3.8 The council continually monitors Nitrogen Dioxide across 27 locations across the Borough to ensure the air we breathe is compliant with national thresholds. Each year, the council is required to submit an annual air quality report to Department for Environment, Food & Rural Affairs (Defra) detailing air pollution levels while identifying local initiatives that have a positive impact on air quality.

3.9 Although the Borough satisfies national air quality thresholds and does not have an AQMA in force, Defra expects local authorities to prepare and publish an Air Quality Strategy to both manage and improve air quality locally that will support public health outcomes.

3.10 The Air Quality Strategy is intended to facilitate collaboration across key stakeholders both locally and across the region through providing ways of managing relationships, actions and information to deliver air quality enhancements; this will include active engagement with the Climate Change Partnership.

3.11 The Council continues to bring forward interventions that not only support informed travel choices but improve air quality. The Electric Vehicle (EV) Strategy, as approved by Cabinet in July 2022, seeks to support electric vehicle users with accessible charge points across the Borough to ensure electric vehicles are a viable option for residents, visitors, and businesses. This will be supported through the delivery of electric vehicle charge points (EVCP) in council owned car parks taking the total of publicly available EVCP's to in council owned car parks to approximately 150 through 2024.

3.12 In addition, the Local Cycling & Walking Infrastructure Plan (LCWIP) as approved by Cabinet in July 2022, seeks to increase levels of cycling and walking in the Borough. Building on the £800,000 investment into the Silkin Way, delivery of the

LCWIP will provide residents and businesses with greater sustainable travel choices while decarbonising transport and connecting communities.

3.13 In September 2022, the Council submitted a funding bid to Defra to secure the delivery of a pilot project focussed on promoting positive behaviour change at schools, including promotion of active travel and road safety initiatives. This bid was successful in securing over £147,000 of funding.

3.14 The project is currently underway and through engagement with schools the content will include education and engagement to increase awareness of anti-idling, develop co-designed graphics and promote sustainable travel options. The project will make use of air quality monitoring to show the impact of reducing car use to travel to school with behaviour change captured prior and post project delivery.

3.15 In September 2023, the Council submitted a further bid to Defra for £159,840 to support a project to reduce emissions of particulate matter from solid fuel burning. If successful, this funding will seek to engage residents and solid fuel providers to improve knowledge and encourage behaviour change. It is envisaged that the pilot will ensure no deterioration in current levels of particulate matter.

## 4.0 Summary of main proposals

4.1 The Air Quality Strategy sets out aims, objectives and actions that seek to manage and improve air quality in the Borough.

4.2 If approved, the Council will work with partners to track progress on actions contained within the Action Plan to ensure the Borough's air quality remains compliant while seeking continued improvement.

## 5.0 Alternative Options

5.1 The Council has a duty to assess the quality of the local air and where there is non-compliance ensure action plans are developed to remedy the problem.

5.2 Air quality in the borough is very good which means that targeted interventions are not routinely required. However, while the Council could decide to take no action, adoption of the Strategy will provide a strategic approach to enhancing air quality and provide the basis for future funding opportunities aimed at delivering focused initiatives.

## 6.0 Key Risks

6.1 While air quality overall is very good in the Borough, if the Council does not satisfy new national government targets for air quality, the Government could consider introducing measures to reduce these emissions. Adoption of the Strategy will mitigate this risk and ensure the borough remains focused and compliant with air quality targets.

## 7.0 Council Priorities

7.1 The adoption and implementation of the Air Quality Strategy will support the following priorities:

- Every child, young person, and adult lives well in their community.
- All neighbourhoods are a great place to live; and
- Our natural environment is protected – we take a leading role in addressing the climate emergency.

## 8.0 Financial Implications

8.1 The actions and measures outlined in the Air Quality Strategy will be funded from a combination of existing budgets and external grant funding. Specific financial decisions based on the availability of internal and external funding will need to be made as any schemes or actions are brought forward.

8.2 Funding totalling £147,615 was secured through Defra's Air Quality Grant 2022/23

8.3 A further bid for Air Quality grant funding (2023/24) was submitted to Defra for £159,840 at the end of September 2023.

## 9.0 Legal and HR Implications

9.1 Adoption of the Air Quality Strategy satisfies part of the Council's legal obligations with regards to Local Authority Air Quality Management Framework underpinned by the Environment Act 1995 which sets local limits put into place through the Air Quality (England) Regulations 2000 (as amended in 2002).

9.2 The Strategy identifies actions that could be explored to support the council in meeting legally binding targets for $PM_{2.5}$ as set out in the Environment Act 2021.

## 10.0 Ward Implications

10.1 The Strategy and Action Plan is Borough wide and will involve working with partners including Parish/Town Councils and education settings.

## 11.0 Health, Social and Economic Implications

11.1 According to UK Health Agency, poor air quality is the largest environmental risk to public health in the UK. Air pollution can cause chronic conditions such as cardiovascular and respiratory diseases as well as lung cancer, leading to reduced life expectancy.

11.2 Road transport is the biggest source of nitrogen oxides (NOx) in the UK, and is the main source of exposure at the roadside. Road transport in the Borough accounts for 42% of the total emissions and up to 15% of particulate matter emissions.

11.3 The Electric Vehicle Strategy supports the switch from petrol/diesel vehicles to electric vehicles; in-turn this complements the Air Quality Strategy through a reduction in nitrogen oxide emissions but also reduces the amount of other harmful air pollutants. The Local Cycling & Walking Improvement Plan also

support the Air Quality Strategy through promoting active travel options and delivering infrastructure to further enhance this travel choice.

## 12.0 Equality and Diversity Implications

12.1 The Strategy focuses on groups that are more vulnerable to air quality and those with pre-existing cardio-respiratory illnesses. Effective intervention around air quality and delivery of strategy aims will be of benefit to all residents but with a particular benefit to vulnerable groups and communities.

## 13.0 Climate Change and Environmental Implications

13.1 If left unmanaged, air pollution poses a serious risk to human health and the environment. There are clear benefits between carbon reduction and other air pollution reducing techniques.

13.2 In June 2019, the Government passed legislation requiring a reduction of the UK's net emissions of greenhouse gases by 100% related to 1990 levels by 2050. Transport is the single largest contributor to the UK air quality, representing around 35% of the total emissions and 42% locally.

13.3 In January 2019, the Government published a Clean Air Strategy which sets out actions to improve air quality by reducing pollution from a wide range of sources.

13.4 In January 2023, the government passed legislation (The Environmental Targets (Fine Particulate Matter) (England) Regulations 2023) requiring the annual mean concentration target of Particulate matter ($PM_{2.5}$) in ambient air must not exceed 10 µg/m³ and there must be a 35% reduction in population exposure to the same pollutant compared with levels in 2018, both to be achieved by end of 2040.

13.5 Alongside delivery of EV infrastructure, enabling and promoting the increased use of active modes, residents and visitors can be encouraged to use more sustainable modes of travel than the private motor car.

13.6 Complimentary to addressing emission sources from transport, supporting residents and businesses to make informed decisions around solid fuel burning, emissions of pollutants and personal exposure to air pollution are methods that will be explored as part of the strategy.

## 14.0 Background Papers

N/A

## 15.0 Appendices

1 Air Quality Strategy

## 16.0 Report Sign Off

| Signed off by | Date sent | Date signed off | Initials |
|---|---|---|---|
| Legal | 10/01/2024 | 11/01/2024 | RP |
| Finance | 10/01/2024 | 11/01/2024 | PT |

| | | | |
|---|---|---|---|
| Director | 10/01/2024 | 15/01/2024 | DRS |

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Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

# Building Safer, Stronger & Healthier Communities Through Better Air Quality

## Draft

February 2024

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# Glossary

| | |
|---|---|
| Air Quality Action Plan (AQAP) | A detailed description of measures, outcomes, achievement dates and implementation methods, showing how the local authority intends to achieve air quality limit values. |
| Air Quality Management Area (AQMA) | If a Local Authority identifies any locations within its boundaries where the Air Quality Objectives are not likely to be achieved, it must declare the area as an Air Quality Management Area (AQMA). The area may encompass just one or two streets, or it could be much bigger. The Local Authority is subsequently required to put together a plan to improve air quality in that area - a Local Air Quality Action Plan (AQAP). |
| Air Quality Objectives | The Air Quality Objectives are policy targets generally expressed as a maximum ambient concentration to be achieved, either without exception or with a permitted number of exceedances, within a specified timescale. The Objectives are set out in the UK Government's Air Quality Strategy for the key air pollutants. |
| Ambient Air | The air (or concentration of a pollutant) that occurs at a particular time and place outside of built structures. Often used interchangeably with "outdoor air". |
| Annual Mean | The annual mean is the average concentration of a pollutant measured over one year. This is normally for a calendar year. |
| Annual Status Report (ASR) | An annual review and assessment procedure on the status of Air Quality in a local authority area over the previous calendar year. |
| Bus Service Improvement Plan (BSIP) | Bus Service Improvement Plans (BSIPs) are developed by Local Transport Authorities, working closely with their local bus operators and local communities, to define how bus services will be improved. |
| Department for Environment, Food and Rural Affairs (Defra) | Government Department for Environment, Food and Rural Affairs |
| Department for Transport (DfT) | Government Department for Transport |
| Diffusion Tube Samplers | Passive diffusion tube samplers collect nitrogen dioxide and other pollutants by molecular diffusion along an inert tube to an efficient chemical absorbent. After exposure for a known time, the absorbent material is chemically analysed and the concentration calculated. |
| Electric Vehicle (EV) | Any vehicle that uses electric motors as propulsion. |

| | |
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| Eutrophication | A process of pollution that occurs when a lake or stream becomes over-rich in plant nutrient; as a consequence it becomes overgrown in algae and other aquatic plants. The plants die and decompose. In decomposing the plants rob the water of oxygen and the lake, river or stream becomes lifeless. |
| Exceedance | An exceedance is defined as whether a measured pollutant concentration is above the air quality criteria |
| Greenhouse Gases | Greenhouse gases are atmospheric gases such as carbon dioxide, methane, chlorofluorocarbons, nitrous oxide, ozone, and water vapour that slow the passage of re-radiated heat through the Earth's atmosphere. |
| Limit Values | Air quality limit values are legally binding criteria for air pollutants, set for specific air pollutants over a specific period of time and were originally set in EU Directives |
| Local Air Quality Management (LAQM) | The Local Air Quality Management (LAQM) process requires Local Authorities to periodically review and assess the current and future quality of air in their areas. A Local Authority must designate an Air Quality Management Area (AQMA) if any of the Air Quality Objectives set out in the regulations are not likely to be met over a relevant time period. |
| Local Transport Plan (LTP) | A Local Transport Plan (LTP) assesses an area's transport needs and challenges and sets out different ways in which these challenges will be addressed. |
| Lower Super Output Areas (LSOA) | Lower Super Output Area (LSOA) were originally created for Census data, specifically for the output of census estimates. The Lower Super Output Area is the second lowest geographical level at which census estimates are provided, the lowest being Output Areas. |
| Micrograms per cubic metre ($\mu g/m^3$) | A measure of concentration in terms of mass per unit volume. A concentration of 1 $\mu g/m^3$ means that one cubic metre of air contains one microgram ($10^{-6}$ grams) of pollutant. |
| National Atmospheric Emissions Inventory (NAEI) | The NAEI compiles annual estimates of UK emissions to the atmosphere from sources such as road transport, power stations and industrial plants. These emissions are estimated to inform policy, and to help to identify ways of reducing the impact of human activities on the environment and our health. |
| National Planning Policy Framework (NPPF) | The National Planning Policy Framework (NPPF) sets out government planning policy for England. |

| | |
|---|---|
| Oxides of Nitrogen ($NO_X$) | Combustion processes emit a mixture of nitrogen oxides ($NO_X$), primarily nitric oxide (NO) which is quickly oxidised in the atmosphere to nitrogen dioxide ($NO_2$). Nitrogen dioxide has a variety of environmental and health impacts. It is a respiratory irritant which may exacerbate asthma and possibly increase susceptibility to infections. |
| Particulate matter (PM) | Airborne PM includes a wide range of particle sizes and different chemical constituents. It consists of both primary components, which are emitted directly into the atmosphere, and secondary components, which are formed within the atmosphere as a result of chemical reactions. Of greatest concern to public health are the particles small enough to be inhaled into the deepest parts of the lung. Air Quality Objectives are in place for the protection of human health for $PM_{10}$ and $PM_{2.5}$ – particles of less than 10 and 2.5 micrometres in diameter, respectively. |
| Planning Practice Guidance (PPG) | Written documents that set out the government's policies on different aspects of planning policy. |
| Pollution Climate Mapping (PCM) | The Pollution Climate Mapping (PCM) model is a collection of models designed to fulfil part of the UK's requirements to report on the concentrations of particular pollutants in the atmosphere. |
| Public Health England (PHE) | An executive agency of the Department of Health and Social Care, established on 1 April 2013. Now replaced by UK Health Security Agency (UKHSA) and the Office for Health Improvement and Disparities (OHID). |
| Sulphur Dioxide ($SO_2$) | Sulphur dioxide is a corrosive, acidic gas which combines with water vapour in the atmosphere to produce acid rain. Both wet and dry deposition have been implicated in the damage and destruction of vegetation and in the degradation of soils, building materials and watercourses. $SO_2$ in ambient air is also associated with asthma and chronic bronchitis. |
| Ultra low emission vehicles (ULEV) | Ultra-low emission vehicle (ULEV) is the term used to describe any vehicle that uses low carbon technologies and emits less than 75g of $CO_2$/km from the tailpipe. ULEVs range from pure electric vehicles and fuel cell electric vehicles, to plug-in hybrids and extended range electric vehicles. |
| United Nations Economic Commission for Europe (UNECE) | The United Nations Economic Commission for Europe (UNECE) was set up in 1947. It is one of five regional commissions of the United Nations. UNECE's major aim is to promote pan-European economic integration. |

| | |
|---|---|
| Volatile organic compounds (VOCs) | Organic chemical compounds that under normal conditions are gaseous or can vaporise and enter the atmosphere. VOCs include such compounds as methane, benzene, xylene, propane and butane. Methane is primarily emitted from agriculture (from ruminants and cultivation), whereas non-methane VOCs (or NMVOCs) are mainly emitted from transportation, industrial processes and use of organic solvents. |
| World Health Organisation (WHO) | The WHO is the United Nations agency that connects nations, partners and people to promote health, keep the world safe and serve the vulnerable – so everyone, everywhere can attain the highest level of health. |

# Foreword

Poor air quality is everybody's business. This is primarily due to health risks that it can bring. Whilst improving health and health inequalities is the primary motivation for improving the air quality within the borough, most measures that will follow from this strategy will also promote sustainable development and transport, while complementing our carbon neutral agenda.

Air pollution can be difficult to address because of the increasing dependence we all have upon motor vehicles, whether for personal, business use and/or transportation of goods.

More and more, Telford & Wrekin seen as a desirable place to live and work, and this is demonstrated by continued residential and commercial development. Protecting the environment while supporting and encouraging growth is paramount.

This strategy supports part of our Council vision:

- every child, young person and adult lives well in their community
- all neighbourhoods are a great place to live
- our natural environment is protected, and the Council is taking a leading role in tackling the climate emergency

By recognising that no single agency, department or community has all the answers; improvements to air quality can only be achieved by taking an integrated, collaborative approach. It acknowledges that economic growth and improving the local environment are not independent of each other.

There is no doubt that by building on the environmental work already being carried out and taking a realistic, flexible approach, bringing closer integration of air quality and the environment into wider agendas such as health, transport and planning, we will contribute to improvements in the quality of the air within the borough.



**Cllr Richard Overton**
**Deputy Leader and Cabinet Member for Homes & Enforcement**



**Cllr Carolyn Healy**
**Cabinet Member for Climate Action, Green Spaces, Heritage and Leisure**



**Cllr Kelly Middleton**
**Cabinet Member for Healthy, Safer & Stronger Communities and Partnerships**



# Our Vision

Compared to other parts of the West Midlands, and other towns and cities across the UK, air quality in Telford and Wrekin is relatively good. In fact, it is identified as one of the benefits of living here, alongside its green and natural environment. We want to ensure that it stays that way, as we welcome new residents and workers through planned growth over the next 20 years. We are driven by three overarching aims:

- As recent research has identified health impacts at concentrations significantly lower than UK national air quality objectives, our aim is to make further improvements in air quality, and to safeguard a healthy environment for the future. Grounded in the latest health impact research, it is intentionally ambitious.

- Telford & Wrekin Council are particularly focussed on benefits for disadvantaged and vulnerable groups, who are often most affected by poor air quality, despite being those least responsible for causing it.

- Telford & Wrekin Council also recognise the links between air quality and the Council's carbon agenda. By directly linking their outcomes, we will better identify co-benefits and understand any trade-offs.

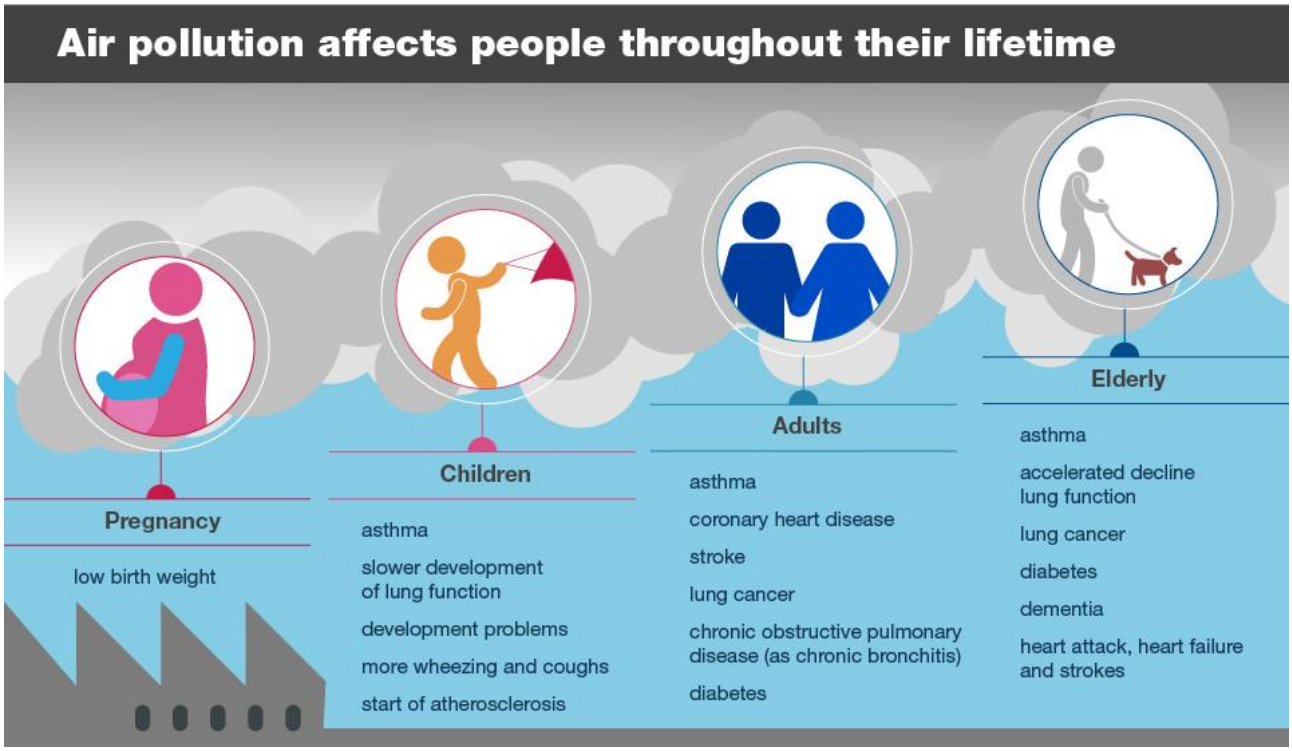
Air quality has multiple sources and impacts. It touches many aspects of our lives. Our Air Quality Strategy needs to be similarly cross-cutting. At the local level, many different strategies and policies have a bearing on, or are affected by, air quality. The Air Quality Strategy provides a central point from which to track progress, both from new measures, as well as those implemented by other initiatives. The Air Quality Strategy is not simply a document. It is an active process, intended to facilitate collaboration across key stakeholders within the region. It provides way of managing relationships, action and information to affect the change that we want to see.

# Air Quality Impacts and Sources

## The impacts of air pollution

Poor air quality is the largest environmental risk to public health in the UK. Air pollution can cause chronic conditions such as cardiovascular and respiratory diseases as well as lung cancer, leading to reduced life expectancy (Figure 1)[1,2]. It is estimated that in the UK each year, between 28,000 and 36,000 premature deaths are linked to air pollution[3], the economic cost of which is over £20 billion per year[4].

***Figure 1: Health impacts of air pollution over a lifetime[5]***




[1] Public Health England (2018), Guidance on health matters: air pollution. Available at: https://www.gov.uk/government/publications/health-matters-air-pollution/health-matters-air-pollution. Accessed April 2022

[2] Public Health England (2019) Review of interventions to improve outdoor air quality and public health. Available online at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938623/Review_of_interventions_to_improve_air_quality_March-2019-2018572.pdf. Accessed April 2022.

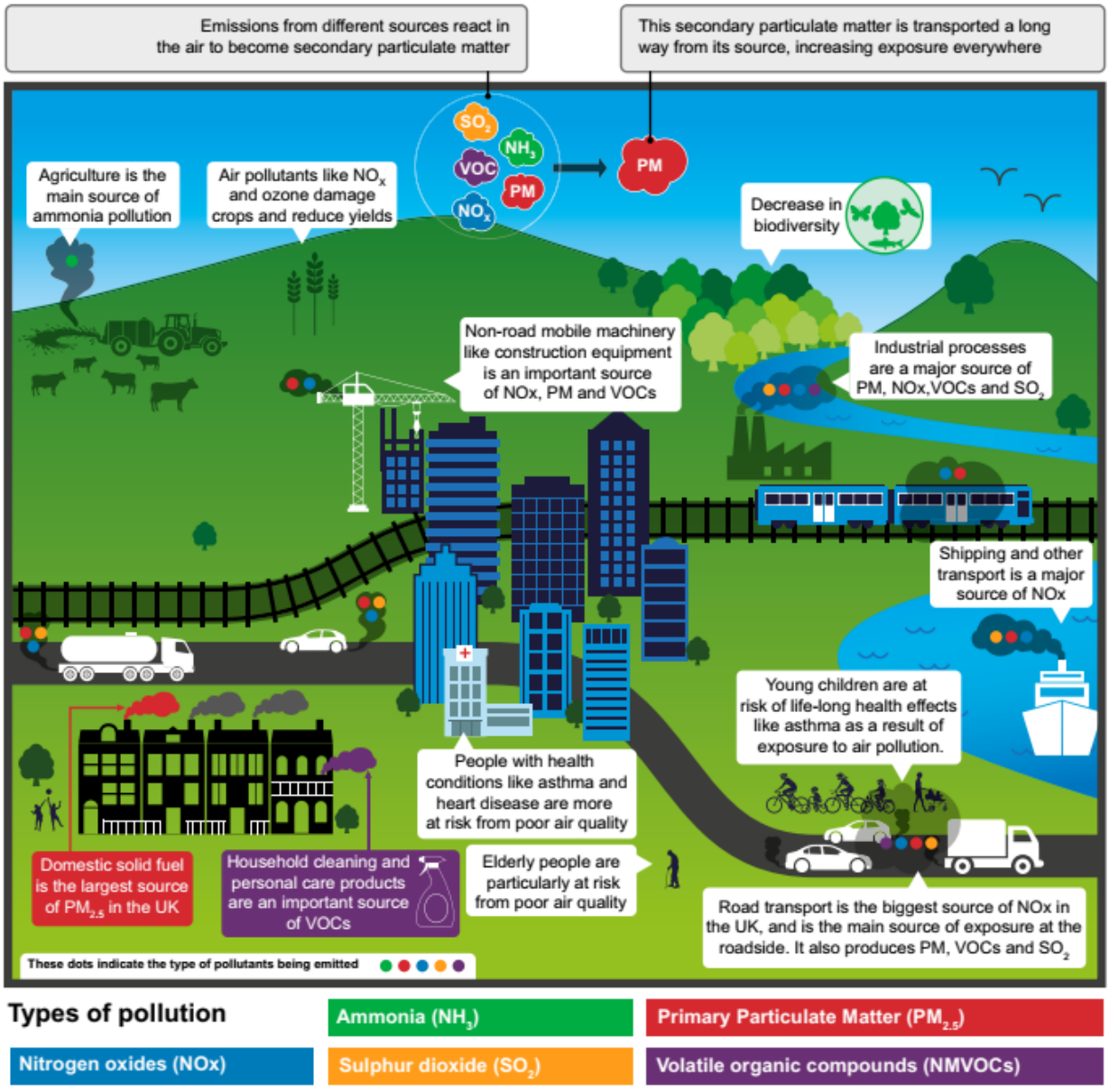
[3] Committee on the Medical Effects of Air Pollutants (COMEAP) (2018) Associations of long-term average concentrations of nitrogen dioxide with mortality. https://www.gov.uk/government/publications/nitrogen-dioxide-effects-on-mortality. Accessed Apr 2022.

[4] Royal College of Physicians (2016) Every breath we take: the lifelong impact of air pollution. Available online: https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution. Accessed April 2022.

[5] Public Health England (2018) Health matters: air pollution. Available online: https://www.gov.uk/government/publications/health-matters-air-pollution/health-matters-air-pollution. Accessed September 2022. Content reproduced under the Open Government licence v3.0 https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/

Air pollution particularly affects the most vulnerable in society: children, older people and those with pre-existing heart and lung conditions. It also exacerbates inequalities, as less affluent areas are often those with poorer air quality[6,7]. Air pollution also has ecological impacts, affecting crops and biodiversity due to impacts on vegetation growth and the chemical balance of soils. Air pollutants are emitted from a range of human and natural sources (Figure 2).

***Figure 2: The sources of air pollution and their impacts[8]***



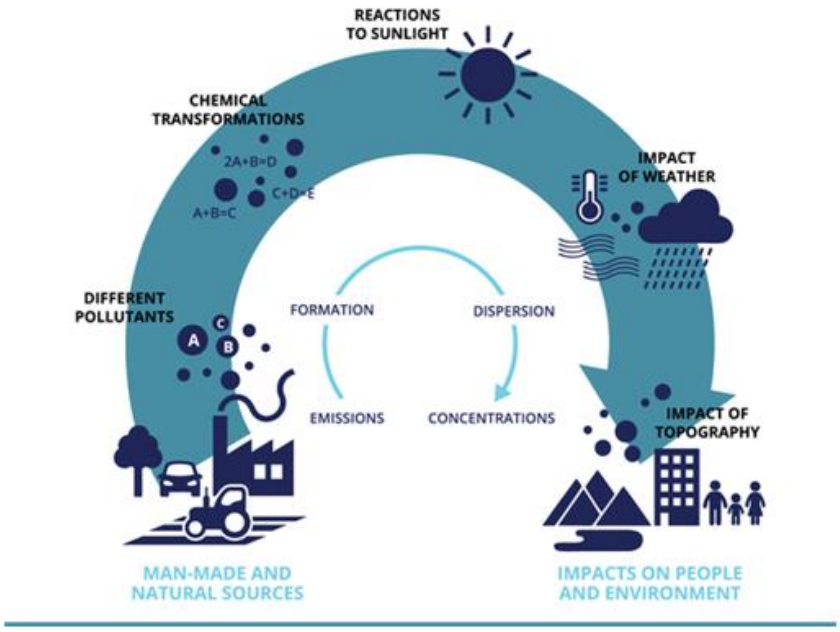

[6] Public Health England (2017) Air Quality: A briefing for directors of public health. Available online: https://www.local.gov.uk/publications/air-quality-briefing-directors-public-health?msclkid=3f00dae9c47511ecad28c1de37434545. Accessed April 2022.

[7] Barnes, J. H., Chatterton, T. J., Longhurst, J. W. S. (2019) Emissions vs exposure: Increasing injustice from road traffic-related air pollution in the United Kingdom. Transportation Research Part D: Transport and Environment. Vol. 73, August 2019, pp56-66. Available online at: https://www.sciencedirect.com/science/article/pii/S1361920919300392. Accessed April 2022.

[8] Department for Environment Food & Rural Affairs (Defra) (2019), Clean Air Strategy 2019. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/770715/clean-air-strategy-2019.pdf.Accessed April 2022 © Crown Copyright 2019. Public sector information reproduced under the Open Government licence v3.0 https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/

The extent to which the population and environment are exposed to harmful levels of air pollution is a complex issue, affected by how pollutants travel in the atmosphere, their mixing and how they react under different meteorological conditions (Figure 3). The main pollutants of concern for local authorities are nitrogen dioxide ($NO_2$) and particulate matter (PM).

***Figure 3: Air pollution impact pathway[9]***




## Nitrogen Dioxide

$NO_2$ is generally produced by the oxidation of nitric oxide (NO) in ambient air (i.e. it is not formed directly and as such is known as a secondary pollutant). The pollutants NO and $NO_2$ are collectively termed oxides of nitrogen ($NO_X$). A third of the UK's $NO_X$ emissions are from road transport, with non-road transport, industry, agriculture, and residential combustion making up the remainder (Figure 4).

Long term exposure to $NO_2$ is associated with reduced lung development, childhood respiratory infection and effects on lung function. Short term exposure acts as a respiratory irritant that can cause inflammation of the airways. Notably, $NO_2$ has been associated with adverse health effects at concentrations lower than current UK Air Quality Objectives, in some studies[10,11] potentially as low as 5 µg/m$^3$.

$NO_X$ also has ecological impacts through nitrogen deposition (eutrophication) which can affect sensitive ecosystems, as well as acidification of vegetation, soils and watercourses.

[9] European Environment Agency (EEA). Air pollution: from emissions to exposure. Available online at: https://www.eea.europa.eu/media/infographics/air-pollution-from-emissions-to-exposure/view. Accessed April 2022. .© European Environment Agency https://www.eea.europa.eu/legal/copyright

[10] WHO air quality guideline values: global update 2021 available at: https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health. Accessed March 2022.

[11] COMEAP (2018) *Op. cit.*

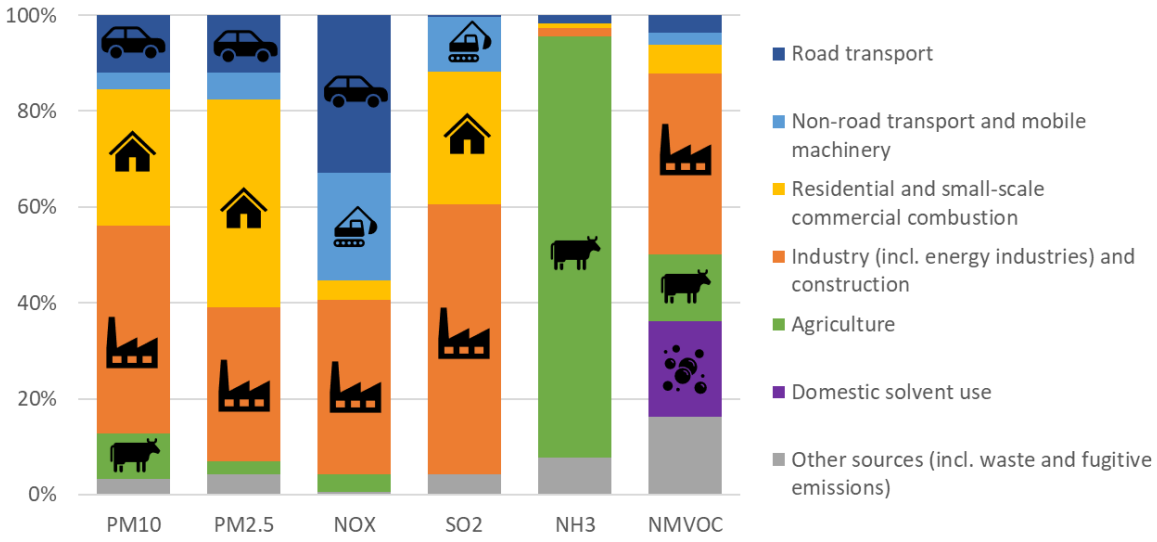
## Particulate Matter

PM is a generic term used to describe a complex mixture of solid and liquid particles of varying size, shape, and composition. Some particles are emitted directly (primary PM); others are formed in the atmosphere through complex chemical reactions (secondary PM). Fine particles are those with a diameter of less than 10 micrometers (µm) ($PM_{10}$), less than 2.5 µm ($PM_{2.5}$), and ultrafine particles, less than 0.1 µm ($PM_{0.1}$).

Primary $PM_{10}$ emissions are particles emitted directly from combustion sources, transport[12], quarrying and construction activities, and from wind-blown dust. Residential, commercial, and industrial combustion account for the majority of $PM_{10}$ and $PM_{2.5}$ emissions in the UK, with residential domestic solid fuel burning accounting for over 40% of $PM_{2.5}$ emissions (Figure 4).

Other pollutants can also contribute to PM concentrations. Secondary particulates are formed in the atmosphere through chemical reactions of precursor pollutants, including $NO_X$, sulphur dioxide ($SO_2$), ammonia ($NH_3$) and non-methane volatile organic compounds (NMVOCs). Industry and agriculture are significant contributors to these pollutants. Particulate matter is associated with a range of health impacts. Small particles penetrate and lodge inside lungs. The smaller the particle, the deeper into the body they can penetrate. The strongest evidence for effects on health are associated with $PM_{2.5}$, as at this size the particles can be inhaled deep into the lungs. The very smallest ultrafine particles ($PM_{0.1}$) are thought, once inhaled, to be able to pass directly into the bloodstream and become embedded in organs such as the brain and heart. Importantly, there is **no evidence of a 'safe' level of exposure to PM**, or a threshold below which no adverse health effects would occur.

***Figure 4: Source emission contributions by sector in the UK in 2019[13]***




[12] In the case of road transport, the majority of PM emissions are 'non-exhaust' (brake, tyre wear and resuspension). As such, a switch to electric vehicles will not solve transport's PM problems.
[13] Derived from figures within Defra (2021) Emissions of air pollutants in the UK. National Statistics Tables. Available online at: https://www.gov.uk/government/statistics/emissions-of-air-pollutants. Accessed April 2022.

## KEY POINTS

- Air pollution is a serious risk to human health and the environment.
- The main pollutants of concern are nitrogen dioxide ($NO_2$) and fine particulate matter ($PM_{10}$ and $PM_{2.5}$).
- Health effects can potentially occur at very low concentrations of $NO_2$. For $PM_{10}$ and $PM_{2.5}$, there is no 'safe' level.
- To reduce $NO_2$, the target sectors are transport (road and non-road) and industry.
- Reducing PM is more complicated as it is affected by multiple sources, including direct 'primary' combustion emissions, as well as secondary pollutants that go on to form particulates in the atmosphere.

# Policy and legislative context

## Managing Concentrations

### Legacy of EU Directives

The UK Government has a responsibility to meet legally binding limit values for concentrations in outdoor air for major air pollutants that impact public health. The limit values are as set out within the European Union's Ambient Air Quality Directive (2008/50/EC) and implemented in the UK through the EU (Withdrawal Agreement) Act 2020[14,15]. Where air quality limit values are not met, measures to achieve them are required to be put in place, either nationally or locally.

### National Air Quality Objectives

The 2023 Air Quality Strategy: Framework for Local Authority Delivery includes national air quality standards and objectives for a number of local air pollutants. The objectives are policy targets, to be achieved without exception or with a permitted number of exceedances, and by a specified timescale. The air quality objectives applicable in England are defined within the Air Quality (England) Regulations 2000 (as amended 2002)[16]. Two new legally binding long-term targets to reduce concentration of fine particulate matter ($PM_{2.5}$) were introduced by the Environmental Act 2021. In England, the objectives for $NO_2$ and PM concentrations are summarised below (Table 1).

***Table 1 - Air Quality Objectives for $NO_2$ and PM in England***

| Pollutant | Concentration | Measured as |
|---|---|---|
| $NO_2$ | 200 µg/m$^3$ not to be exceeded more than 18 times per year | 1-hour mean |
| | 40 µg/m$^3$ | Annual mean |
| $PM_{10}$ | 50 µg/m$^3$ not to be exceeded more than 35 times per year | 24-hour mean |
| | 40 µg/m$^3$ | Annual mean |
| $PM_{2.5}$ | 10 µg/m$^3$ (by 2040) | Annual mean |
| | 35% reduction in exposure compared to 2018 (by 2040) | Annual mean |

### Local Air Quality Management (LAQM)

Under Part IV of the Environment Act 1995 as amended by the Environment Act 2021, local authorities have a duty to review and assess local air quality within their areas, against the national air quality objectives. Where an exceedance is considered likely, the

[14] The Air Quality Standards Regulations 2010. Available online at: http://www.legislation.gov.uk/uksi/2010/1001/contents/made. Accessed April 2022.
[15] The Air Quality Standards (Amendment) Regulations 2016. Available online at: https://www.legislation.gov.uk/uksi/2016/1184/contents/made. Accessed April 2022.
[16] The Air Quality (England) Regulations 2000. Available online: http://www.legislation.gov.uk/uksi/2000/928/contents/made. Accessed April 2022. The Air Quality (England) (Amendment) Regulations 2002. Available online: http://www.legislation.gov.uk/uksi/2002/3043/regulation/2/made. Accessed April 2022.

local authority must declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) setting out measure it intends to put in place in pursuit of these objectives.

Each year, every local authority submits an Annual Status Report (ASR) to Defra reporting concentrations recorded through the monitoring network and listing strategies employed by the local authority to improve air quality. In addition, local authorities are also encouraged to draft and implement a local air quality strategy.

## Recent Legislative Changes

In January 2019, the UK Government published a Clean Air Strategy[17], which sets out actions to improve air quality by reducing pollution from a wide range of sources. The aim of the strategy is to drive down the national emissions of pollutants, reducing background pollution and minimising human exposure to harmful concentrations of pollution.

The Environment Act 2021 places the following new requirements on the Government and local authorities on air quality.

- Requirement on the Government to bring forward at least two new air quality targets in secondary legislation by 31 Oct 2022.
    - 10 µg/$m^3$ as an annual mean to be met across England by 2040; and
    - a 35% reduction in population exposure by 2040 from a 2018 baseline.
- Strengthening of the LAQM framework by sharing responsibility for tackling local air pollution between designated relevant public authorities, all tiers of local government and neighbouring authorities. The intent is to enable greater cooperation at local level and broaden the range of organisations that play a role in improving air quality.
- Amendments to the Clean Air Act 1993 to allow local authorities to impose financial penalties in smoke control areas.

## World Health Organisation Air Quality Guidelines

The World Health Organisation (WHO) sets Air Quality Guidelines as global targets for national, regional and local governments to work towards[18]. The Guidelines are informed by scientific evidence on health impacts of air pollution. They are aimed at an international audience and have been adopted by national, and unions of, Governments and international organisations. They are health-based targets, acknowledging that for some pollutants, namely $PM_{10}$/$PM_{2.5}$, there are not safe concentration thresholds. Guideline levels are accompanied by less stringent, interim targets, which are proposed to encourage a constant reduction in public exposure. The previous WHO Guidelines and evidence base, published in 1987 and 2005, informed the development of current EU Limit Values and UK Air Quality Objectives. Of note, in the WHO's 2021 update, annual average Guideline Levels for $NO_2$ and $PM_{2.5}$ have been revised to 10 and 5 µg/$m^3$ respectively (the full table is presented in Appendix A). These are significantly lower than current UK

[17] Defra (2019) *Op. cit.*

[18] WHO air quality guideline values: global update 2021. *Op. cit.*

national air quality objectives, and reflect short- and long-term studies that have identified adverse health impacts at low concentrations.

## National Planning Guidance

National Planning Guidance helps to provide context and will form the basis for any new local planning guidance. The National Planning Policy Framework (NPPF)[19] helps local authorities to incorporate air quality considerations into planning decisions and aims to protect the environment and to promote sustainable growth. Extracts are included in Appendix A. Planning Practice Guidance (PPG) for Air Quality[20] is intended to support the NPPF and provide further detail to its policies (see Appendix A).

## Local Policy Context

Telford & Wrekin Council has not declared any AQMAs, and as such no AQAPs are in place. We make annual returns to Defra through ASR submissions[21], which include reporting of monitored concentrations and progress on measures to improve air quality, e.g. through actions managed within the local transport plan. The previous Air Quality Strategy was published as part of the 2016 ASR, and focussed on ensuring adequate provision for air quality monitoring.

Air quality has multiple sources and impacts. At the local level, many different strategies and policies have a bearing on, or are affected by air quality. Key documents are listed below, some of which are under review at the time of writing.

- Planning
    - Local Plan[22] [under review]
- Housing, Employment and Infrastructure
    - Invest Telford Economic Development Strategy
- Transport
    - Local Transport Plan[23] [under review]
    - Public Electric Vehicle Infrastructure Strategy (formerly the Ultra-Low Emission Vehicle Strategy)
    - Bus Service Improvement Plan (BSIP)[24]
    - Cycling and Walking Strategy[25] [under review]

[19] Ministry of Housing, Communities and Local Government (2021) National Planning Policy Framework. Updated 20 July 2021. Available online at: https://www.gov.uk/government/publications/national-planning-policy-framework--2. Accessed April 2022.
[20] Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities and Local Government (2019) Planning Practice Guidance: Air Quality. Available online at: https://www.gov.uk/guidance/air-quality--3. Accessed April 2022.
[21] Telford & WrekinCouncil. Air Quality – reviews and assessments. Available online at: https://www.telford.gov.uk/info/20358/pollution/803/air_quality_-_reviews_and_assessments. Accessed April 2022.
[22] TWC Local Plan 2011-2031: www.telford.gov.uk/localplandocuments. Accessed April 2022
[23] TWC Local Transport Plan 2011-2026: www.telford.gov.uk/info/1019/roadworks_transport_and_streets/497/local_transport_plan. Accessed April 2022.
[24] TWC Bus Service Improvement Plan (BSIP): www.telford.gov.uk/downloads/file/19890/bus_service_improvement_plan. Accessed April 2022.
[25] TWC Cycling and Walking Strategy: www.telford.gov.uk/downloads/file/7995/cycling_and_walking_strategy. Accessed April 2022.

  - Local Cycling and Walking Investment Plan
  - Transport Growth Strategy[26]
  - Licensing strategy for taxis and private hire vehicles
  - Ironbridge Access Strategy [under review]
- Carbon and climate change
  - Becoming Carbon Neutral Action Plan[27]
- Health Protection
  - Health and Wellbeing Strategy[28]
  - Social Value Policy

**KEY POINTS**

- The Government must meet legally binding limit values for outdoor air.
- Local Authorities must review and assess local air quality in their areas against national objectives. Where exceedances are considered likely, the local authority must set out measures it intends to take in pursuit of the objectives. Regardless of monitored concentrations, local authorities are encouraged to draft and implement an Air Quaity Strategy.
- The Government has announced two new air quality targets These focus on $PM_{2.5}$ and include (i) a more stringent concentration objective; and (ii) a population exposure reduction target, both to be met by 2040.
- The World Health Organisation published Air Quality Guidelines in 2021, with significantly more stringent Guideline Levels for $NO_2$ and $PM_{2.5}$, reflecting new evidence of health impacts at very low concentrations.

[26] TWC Transport Growth Strategy: www.telford.gov.uk/downloads/download/695/transport_growth_strategy. Accessed April 2022.
[27] TWC Becoming Carbon Neutral Action Plan: www.sustainabletelfordandwrekin.com/what-the-council-is-doing/becoming-carbon-neutral. Accessed April 2022.
[28] TWC Health & Wellbeing Strategy: www.telford.gov.uk/downloads/download/259/health_and_wellbeing_board. Accessed April 2022.

# Air Quality in Telford and Wrekin

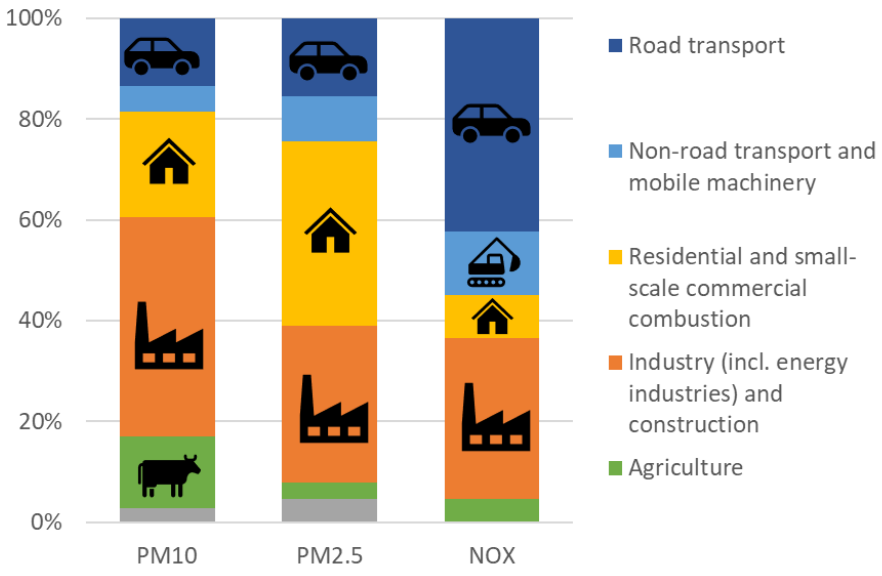
## Local health impacts

Public Health England estimates the impact of particulate air pollution on mortality in local authority areas. In Telford and Wrekin, it is estimated that long term exposure to anthropogenic particulate pollution has been responsible for 4-5% of all deaths of people aged 25 and over between 2010 and 2019[29]. Centre for Cities estimated that this equated to 62 deaths in Telford & Wrekin in 2017 alone[30].

## Local emission sources

Emissions sources for selected pollutants ($NO_x$ as $NO_2$, $PM_{10}$, $PM_{2.5}$) from the National Atmospheric Emissions Inventory[31] (NAEI) show that emissions within the borough reflect the national breakdown (Figure 5).

***Figure 5: Emissions breakdown for Telford & Wrekinin 2019[32]***




More detailed information on the source apportionment of emissions is presented in Appendix B. The sectors within the borough with the largest pollutant contributions are as follows:

- **Road transport** – accounts for 42% of the total $NO_X$ emissions, but only 13% / 15% of the total $PM_{10}$ and $PM_{2.5}$ emissions respectively;

[29] Public Health England. Public Health Outcomes Framework. Available online at: https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/1/gid/1000043/pat/6/ati/102/are/E06000020/iid/30101/age/230/sex/4/cat/-1/ctp/-1/yrr/1/cid/4/tbm/1. Accessed April 2022.
[30] Centre for Cities (2020) Cities Outlook 2020: Holding our breath. Available online at: https://www.centreforcities.org/publication/cities-outlook-2020/. Accessed April 2022.
[31] NAEI, UK National Atmospheric Emissions Inventory for 2019 Interactive Map. Available online at: https://naei.beis.gov.uk/emissionsapp/. Accessed April 2022
[32] Derived from data from the NAEI, UK National Atmospheric Emissions Inventory for 2019 Interactive Map. *Op. cit.*

- **Domestic / commercial solid fuel burning** – accounts for only 9% of $NO_X$ emissions, but 21% / 37% of the total $PM_{10}$ and $PM_{2.5}$ emissions respectively;
- **Industry** – combustion and manufacturing industry accounts for 22% of the total NOx emissions. Production processes account for 32% of the total $PM_{10}$ emissions and 15% of the total $PM_{2.5}$ emissions; and
- **Other mobile sources and machinery** – accounts for 13% of total $NO_X$ emissions.

## Local pollutant concentrations

Air quality monitoring is an essential component of air quality management and fulfils the following functions:

- to check compliance against air quality criteria;
- to assess long term trends and the effectiveness of policies and interventions to improve air quality; and
- to raise awareness.

Telford & Wrekin Council has been monitoring $NO_2$ using diffusion tubes for many years at 27 locations across the borough (Appendix C). Over the period 2016-2020, monitored concentrations ranged from 8-42 µg/m$^3$ as an annual average. However, concentrations at the nearest exposure location were all estimated to be below national air quality objectives. As such, there are no Air Quality Management Areas (AQMAs) within the borough. This has been supported by Defra's Pollution Climate Mapping (PCM) model, which estimates concentrations on key road links. Whilst $NO_2$ concentrations in the borough are within national objectives, they like all Local authorities within the UK, across urban sites exceed the WHO 2021 Guideline Level for $NO_2$ (10 µg/m$^3$ as an annual mean).

Telford & Wrekin Council, common with other Local Authorities does not currently undertake any $PM_{10}$ monitoring. Defra estimates of average background $PM_{10}$ and $PM_{2.5}$ concentrations in 2018 were 12.5 µg/m$^3$ and 7.4 µg/m$^3$ respectively (Appendix D), within UK national air quality objectives, but exceeding the WHO's 2021 Air Quality Guideline Level for $PM_{2.5}$ (5 µg/m$^3$ as an annual mean).

Defra also uses the background maps to calculate a 'population-weighted' annual mean $PM_{2.5}$ concentration, by local authority area[33]. This figure forms the basis of public health calculations in relation to particulate mortality. In 2018, the population-weighted annual mean $PM_{2.5}$ concentration for Telford & Wrekin was 7.7 µg/m$^3$; again, exceeding the WHO's 2021 Air Quality Guideline Level.

Source apportionment of Defra's background concentrations is included in Appendix D. This shows that concentrations of $NO_X$, $PM_{10}$ and $PM_{2.5}$ are affected both by emissions that are produced within the borough itself (see above), as well as more regional sources

[33] Defra. Population-weighted annual mean $PM_{2.5}$ data. Available online at: https://uk-air.defra.gov.uk/data/pcm-data. Accessed April 2022.

from beyond the borough's administrative boundaries. These regional sources are particularly important for $PM_{10}$ and $PM_{2.5}$, and highlight the need for collective regional, national and international action on air quality.

A further complication for $PM_{10}$ and $PM_{2.5}$ concentrations, is that they are affected by both 'direct' primary emissions, as well as secondary particulates, formed thorough chemical reactions of precursor pollutants. For example, there is increasing recognition of the role of emissions of ammonia (primarily from agriculture) in the formation of secondary particulate matter in the atmosphere. Reducing $PM_{10}$ and $PM_{2.5}$ concentrations will therefore require action across a number of sectors.

## Air quality inequalities

Groups that are more vulnerable to air quality include children, older people, and those with pre-existing cardio-respiratory illnesses. It is also clear that lower socioeconomic groups are often exposed to higher concentrations of air pollution as a result of where they live and/or work[34,35]. In identifying key target areas, the Council will review data sources including:

- locations of schools and nurseries, care homes, health care facilities; and
- Lower Super Output Areas (LSOA) Indices of Multiple Deprivation.

Within its 2019 review, the Office for Health Improvement and Disparities (OHID) (at the time, known as Public Health England (PHE))[36] recommends a focus on children, as they are particularly vulnerable due to the impacts of exposure to air pollution in early life. The same document recommends a range of interventions for local authorities, including no-idling zones outside schools, sustainable travel and raising public awareness.

## Future changes

The existing Local Plan[37] makes provision for 17,280 new dwellings across the Borough by 2031. The draft Local Plan confirms that Telford & Wrekin Council has 55% of its identified housing requirements of 20,200 with a further 8,822 to be built by 2040. New development can bring increased emissions from road transport (exhaust emissions from combustion engines, as well as brake and tyre wear from all vehicles, including electric), as well as energy used for heat and power, affecting local air pollutants, as well as greenhouse gas emissions. The Local Plan Review can mitigate these impacts by specific

[34] European Environment Agency (2018) Unequal exposure and unequal impacts: social vulnerability to air pollution, noise and extreme temperatures in Europe. Available online at: https://www.eea.europa.eu/publications/unequal-exposure-and-unequal-impacts/. Accessed April 2022.
[35] Greater London Authority (2021) Air Pollution and Inequalities in London: 2019 Update. Available online: https://www.london.gov.uk/sites/default/files/air_pollution_and_inequalities_in_london_2019_update_0.pdf. Accessed April 2022.
[36] PHE (2019) Review of interventions to improve outdoor air quality and public health. Available online at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938623/Review_of_interventions_to_improve_air_quality_March-2019-2018572.pdf. Accessed March 2022.
[37] TWC Local Plan 2011-2031 *Op. cit.*

reference to air quality within local policy and planning guidance, as well as policies to reduce pollution such as designing new communities with key services integrated into the development.

Our ongoing commitment to reducing carbon emissions will likely have positive impacts on air quality, as the emission sources are often shared. Measures to reduce carbon emissions usually result in air quality benefits, but not in every case. For example, biomass burners are considered 'low carbon' but can emit high levels of $PM_{10}$ and $PM_{2.5}$. Likewise, whilst a switch to electric vehicles reduces emissions of carbon and air pollutants from the tailpipe, there will still be non-exhaust $PM_{10}$ and $PM_{2.5}$ emissions associated with brake and tyre wear[38]. As such, switching to active travel (cycling and walking) instead of travelling by car provides more air quality benefits. It is therefore important that air quality considerations are integrated into the local carbon agenda, to ensure that carbon reductions also result in positive air quality outcomes.

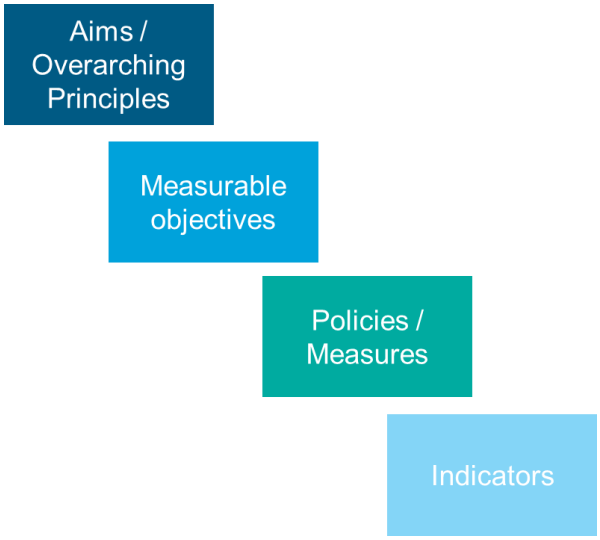
## KEY POINTS

- Particulate air pollution alone is estimated to be responsible for 4-5% of deaths of people aged 25 and over in Telford and Wrekin.
- Local emissions sources reflect national trends:
  - road transport and industry are key contributors to $NO_2$ concentrations; and
  - $PM_{10}$ and $PM_{2.5}$ are affected by a wider range of primary and secondary sources, including road transport, domestic/commercial combustion, industry and agriculture.
- Air quality in Telford & Wrekinis within UK national air quality objectives, but exceeds the WHO's Air Quality Guidelines for $NO_2$ and $PM_{2.5}$.
- Plans for future growth have the potential to negatively impact on local air quality – the Local Plan Review can help mitigate these impacts.
- Commitments to reduce carbon emissions are likely to benefit air quality, although some negative trade-offs do exist. It is important to integrate the two, to ensure that carbon reductions also result in positive air quality outcomes.

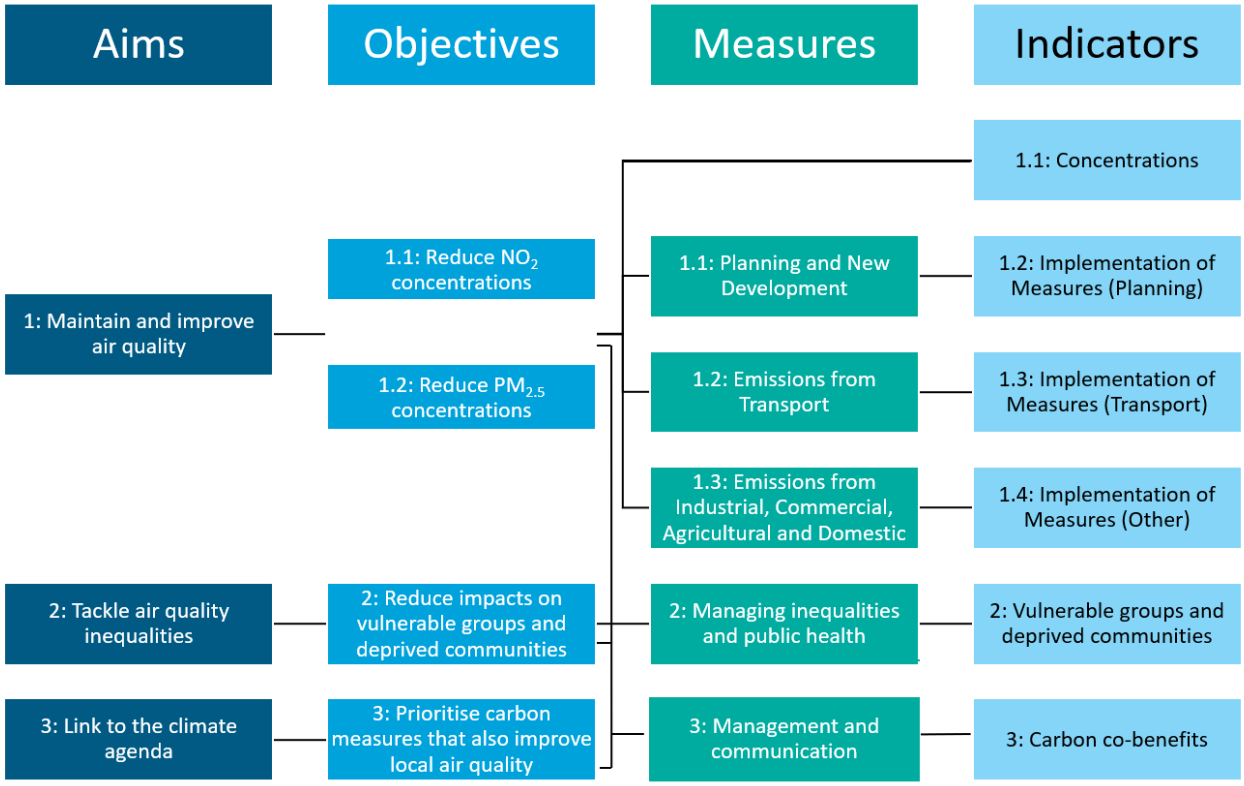
[38] Further examples of win-wins and challenges for aligning air quality and carbon measures are provided in: Bristow, S., Dowson, F. and Barrass, K. (2022) Yes we CANZ! Local leaders delivering Clean Air and Net Zero. Available online at: https://www.uk100.org/sites/default/files/2022-06/YES%20WE%20CANZ%20%7C%20Clean%20Air%20Net%20Zero%20%7C%20UK100.pdf. Accessed June 2022.

# Key aspects of the strategy

The Air Quality Strategy is made up of four key components. **Aims**, or overarching principles guide **measurable objectives**, which in turn are linked to **policies and measures** that can be implemented to achieve the desired level of change. Definition of **indicators** allows monitoring of the direction and speed of change.




The links between these four components are shown in the schematic below. Details are presented in the following sections.



## Aims

The Air Quality Strategy is centred around three key aims.

### 1. Maintain and improve air quality in the context of area wide growth

In recent years, concentrations of air pollutants in Telford & Wrekin have been below national objectives. Indeed, the relatively clean air is one of the attractions for new residents and businesses. The Local Plan makes provision for new growth within the borough. It is important that this new growth does not result in the deterioration of air quality within the area. Further, in recognition that there are health impacts at very low pollutant concentrations, improved air quality within the borough would lead to improvements in public health and wellbeing outcomes for residents.

The Government[39] promotes adoption of a 'net health gain' approach, whereby any new development or proposal for change to existing developments should deliver an overall benefit to public health, reducing pollution, supporting walking, cycling and clean public transport, as well as providing infrastructure for low emission vehicles.

### 2. Tackle air quality inequalities by prioritising action to benefit vulnerable groups and communities

Communities and vulnerable groups (children, pregnant women, the elderly and those with underlying health conditions) generally contribute the least to air pollution but are often those most exposed and affected. In implementing the Air Quality Strategy, the council will seek to tackle these inequalities by prioritising action to benefit vulnerable groups and communities across urban and rural settings. In accordance with Government guidance, we will particularly focus on reducing the impact of air pollution on children, by monitoring air pollution close to schools to identify whether there are any local issues. We will also help people to understand what they can do to improve their health and local air quality. Examples of actions that individuals can take are provided in Appendix E.

### 3. Link air quality to the climate agenda with a focus on emission reductions, for carbon as well as air pollutants: a Low Emission Strategy

Air quality and carbon are often treated separately. Carbon dioxide and other greenhouse gas emissions cause global heating and catastrophic climate change. Air quality effects are usually more localised, although their sources can be regional. Ultimately both are defined by the same problem: combustion of fossil fuels, causing too much of the wrong substance in the air. Meaningful action on air quality requires addressing the sources: avoiding or reducing emissions. Whilst pollutants causing poor air quality are not necessarily classed as greenhouse gases, the sources and indeed the solutions often overlap, e.g. sustainable transport, cleaner fuels, electrification. By focussing on emission reductions, the Air Quality Strategy can also track relevant carbon indicators, identifying co-benefits and any tensions or trade-offs where relevant.

[39] PHE (2019) *Op. cit.*

Examples of win-wins and challenges for aligning improvements in air quality and carbon reductions are provided in Appendix F.

## Objectives

The following objectives seek to meet the three aims.

1.1 **Reduce annual average $NO_2$ concentrations across the borough**, such that:

(i) all monitored concentrations are less than 30 µg/m$^3$ as an annual average by 2030; and

(ii) rolling three-year local area averages reduce year on year.

The National Air Quality Objective for $NO_2$ is 40 µg/m$^3$ as an annual average. However, it is well documented that health effects occur at much lower concentrations. It is estimated that over the next 100 years, a 1 µg/m$^3$ reduction in $NO_2$ across the UK, could save between 420,000-903,000 years of life across the population, with an increase in average life expectancy of around 2-5 days[40]. Reductions in $NO_2$ concentrations could therefore have significant health benefits to the local population.

The WHO Guideline for $NO_2$ is 10 µg/m$^3$ as an annual average. In moving towards this target, the Air Quality Strategy will aim to ensure that by 2030, all monitored concentrations within the borough are less than 30 µg/m$^3$ as an annual mean (equivalent to the WHO's second interim target, and as a step towards achieving the third interim target of 20 µg/m$^3$ and eventually the Guideline Level of 10 µg/m$^3$).

The Council already monitor $NO_2$ concentrations across the borough. Rolling three-year local area averages provide simple measures of trends, whilst taking account of fluctuations in meteorology from one year to another. Annual trends can be graphed to record the direction of change. Air quality monitoring locations are being reviewed to ensure coverage in priority areas, e.g. near to schools and within more vulnerable parts of the borough to help tackle inequalities – see Objective 2.

**1.2 Work with regional and national partners to reduce emissions of $PM_{2.5}$** such that the population weighted annual mean concentration for Telford & Wrekinis less than 5 µg/m$^3$ by 2030

Exposure to fine particulate matter ($PM_{2.5}$) can cause cardiovascular and respiratory diseases, affect children's development and lead to psychological and behavioural problems. There is no 'safe' level at which health effects do not occur. In recognition of this, our Air Quality Strategy seeks to align with the WHO Guidelines. In the absence of local monitoring for $PM_{2.5}$ or $PM_{10}$, Defra background concentrations and population weighted annual averages can provide reference points.

The council recognises that $PM_{2.5}$ concentrations are affected by a wide range of local and regional emission sources (including transport, industrial, commercial and domestic combustion and agriculture). Action is required not only within the borough, but also regionally and

[40] COMEAP (2018) *Op. cit.*

nationally. A target of reducing the borough-wide population weighted annual mean below 5 µg/m$^3$ by 2030 (equivalent to a 35% reduction on 2018 levels), will help to drive local action, at the same time as promoting regional and national collaboration.

**2 Reduce air quality impacts on vulnerable groups and communities**

The council will identify priority areas by mapping the locations of schools, nurseries, care homes and health facilities, alongside LSOA Indices of Multiple Deprivation. These priority areas will be reviewed against air quality monitoring locations, to identify any local issues. The implementation of measures will also be reviewed alongside the maps of priority areas, to ensure vulnerable groups and communities benefit from the measures applied. At the same time, the council will seek to reduce the personal exposure of individuals through targeted communications.

**3 Work with internal and external partners to prioritise carbon reduction measures that also improve local air quality**

Telford & Wrekin Council declared a Climate Emergency on 25 July 2019. As part of the response to this, the council has committed to ensuring that our operations and activities are carbon neutral by 2030. The Local Plan Review proposes 'Tackling climate change and achieving carbon neutrality' as its first Strategic Priority. Actions and progress on carbon emission reductions are monitored and separately[41]. Many of the measures have significant co-benefits for air quality. However, some actions provide more benefit to local air quality than others, and can be implemented within shorter time frames. In our communications with internal and external partners, we will highlight the importance of prioritising those measures which will reduce emissions of both air pollutants and carbon in the short to medium term.

## Policies / Measures / Actions

Air quality can be improved through a combination of measures delivered by different parts of the Council as well as by external organisations. The Air Quality Strategy can be a central point, from which to track progress both from new measures as well as those implemented via other actions, plans and policies (Figure 6).

[41] TWC Becoming Carbon Neutral Action Plan. *Op. cit.*

***Figure 6 – Central role for the Air Quality Strategy in relation to other Council initiatives (dark blue) and external stakeholders (light blue)***




In accordance with the OHID's air pollution intervention hierarchy, measures will be prioritised to first prevent or reduce emissions to air, before mitigating ambient concentrations and finally avoiding personal exposure. Broad actions are listed below, including new measures, and those being implemented through other Council Plans and Strategies. These actions are live and will continue to be updated as new data, funding, best practice and local/regional/national policy develops.

| 1.1 Minimise emissions from planning and new development | | |
|---|---|---|
| *Existing measures* | *Planning advice for developers on provision of electric vehicle charging points* | *Public Electric Vehicle Infrastructure Strategy* |
| | *Building control requirements for electric vehicle charging points for new developments* | *Approved Document S: infrastructure for charging electric vehicles* |
| New measure | Incorporating Air Quality into the Local Plan either as a new policy, or clearly integrated into relevant policies covering areas such as transport and development design. | |
| | Guidance on air quality to be incorporated into supplementary planning guidance on development design to minimise emissions and air quality impacts of new development where this comes forward. | |

| 1.2 Reduce emissions from Transport | | |
|---|---|---|
| *Existing measures* | *Education and promotion of sustainable travel choices, e.g. walking, cycling, public transport* | *Local Transport Plan, Cycling & Walking Strategy, Bus Service Improvement Plan, Road Safety & Active Travel Team activities* |
| | *Public transport incentives, including real time bus service information* | *Local Transport Plan, Bus Service Improvement Plan* |
| | *Council staff initiatives, incl. travel plans, driver efficiency training, car sharing* | *Staff travel plan* |
| | *Procurement of a multi-partner electric vehicle framework* | *Public Electric Vehicle Infrastructure Strategy* |
| | *Replacement of Council Fleet with low emission vehicles* | *Public Electric Vehicle Infrastructure Strategy* |
| | *Encouraging uptake of electric vehicles* | *Public Electric Vehicle Infrastructure Strategy* |
| | *Facilitate provision of electric vehicle charging points* | *Public Electric Vehicle Infrastructure Strategy* |
| | *Traffic management, incl. expansion of urban traffic control (UTC) system* | *Local Transport Plan* |
| | *Parking enforcement* | *Operational guidance* |

| *1.2 Reduce emissions from Transport (ctd)* | | |
|---|---|---|
| New measures | Develop an Action Plan / Strategy for improving air quality in and around schools (incl. monitoring, engagement, anti-idling, travel planning)[42] | |
| | Review taxi licensing policies to encourage low emission vehicles | |
| | Review the parking strategies for towns/local centres. | |
| | Review options for Council Low Emission Procurement Strategy[43] | |
| | Consider options for promotion of a Low Emission Fleet Recognition Scheme | |
| | Review options for encouraging/promoting employer travel plans. | |
| | Consider anti idling enforcement policy | |

| **1.3 Reduce emissions from Industrial, Commercial, Agricultural and Domestic** | | |
|---|---|---|
| *Existing measures* | *Ensure through regulation, inspection and enforcement action that industrial, commercial and agricultural activities comply with Environmental Permits applicable to emissions to air.* | *Env Health core activities* |
| | *Enforcing existing smoke control orders to minimise emissions from commercial and domestic solid fuel burning* | *Env Health core activities* |
| New measures | Review smoke control areas and enforcement processes for emissions from domestic solid fuel burning | |
| | Education / awareness raising campaign on domestic solid fuel burning | |
| | Education / awareness raising of emissions from agriculture and mitigation options | |

| **2. Managing inequalities and public health** | |
|---|---|
| New measures | Develop a Monitoring and Implementation Strategy to prioritise vulnerable groups and communities. To include mapping of priority areas, review of air quality monitoring, as well as prioritisation of vulnerable groups and communities across urban and rural settings through implementation of measures. |
| | Raise awareness amongst higher risk groups on how to reduce the exposure and the impact of air pollution on their health, including provision of information to health and care workers that come into regular contact with high risk groups. |
| | Provision of clear coordinated messages on the risk of air pollution and what individuals and organisation can do to reduce their contribution to local air pollution |
| | Aligning air quality messaging with other programmes which have co-benefits, such as behavioural change campaigns for sustainable transport and linking active travel |

[42] Note, the Carbon Neutral Action Plan will develop and deliver an engagement programme on carbon and climate change. This can either be extended to include emissions of air pollutants, or materials and contacts shared.
[43] Note, the Carbon Neutral Action Plan requires major environment and cleansing contractors to produce ambitious Carbon Reduction Action Plans. This can be extended to include emissions of air pollutants.

| | |
|---|---|
| | choices with cost saving benefits. |

| 3. Management and Communication | |
|---|---|
| New measures | Establish an Air Quality and Low Emissions Steering Group to collaborate on management of air quality within the borough, and to facilitate exchange of information on actions and indicators.<br>Establish regular communications with external stakeholders to review regional air quality and share best practice.<br>Establish regular communications with carbon leaders to discuss co-benefits and any potential negative air quality impacts resulting from carbon reduction measures. |

## Indicators

The following indicators will be monitored and reported on an annual basis. This will coordinate with the submission of the Air Quality ASR submitted to Defra in June of each year. As with the actions, this list of indicators is live, and will be updated with new data or in response to changes to actions/measures. Progress on measures and indictors will be monitored on a regular basis for input to Air Quality Steering Group Meetings. Identification and tracking of appropriate indicators will provide links to other parts of the Council, external organisations and public actions. Conversations around, and regular monitoring of these indicators will help to develop and maintain relationships between these groups as well as providing information on progress and the direction of travel.

| 1.1 CONCENTRATIONS | | |
|---|---|---|
| $NO_2$ | Rolling three-year annual average $NO_2$ concentrations across the borough and in priority locations (e.g. schools, vulnerable areas). | *Collated as part of the ASR Defra Return* |
| | Number and location of annual average $NO_2$ monitored concentrations within the following bounds: greater than 40 µg/m³, 30-40 µg/m³; 20-30 µg/m³; 10-20 µg/m; and 0-10 µg/m. | *Collated as part of the ASR Defra Return* |
| $PM_{2.5}$ | Borough-wide annual population weighted mean concentration of $PM_{2.5}$ | *Data calculated by Defra* |

| 1.2 IMPLEMENTATION OF MEASURES (PLANNING) | | |
|---|---|---|
| Planning | Inclusion of air quality within the Local Plan Review, either as a new policy or new addition to an existing policy, with accompanying guidance | *Local Plan Review* |

| 1.3 IMPLEMENTATION OF MEASURES (TRANSPORT) | | |
|---|---|---|
| Activity data | Change in area wide vehicle kilometres travelled (non-trunk roads). | *Local Transport Plan – data collected by the Department for Transport (DfT)* |
| Mode of travel | Annualised index of cycle trips | *Local Transport Plan* |
| | Number of adults trained under the Bikeability cycle training scheme | *Local Transport Plan* |
| | Number of children receiving Bikeability training, learn to ride training, scooter training, pedestrian skills | *Local Transport Plan* |
| | Data collected through pedestrian/cycle counters installed throughout the borough | *Local Transport Plan* |
| | Population travelling to work by public transport | *Local Plan – data collected on a 10-year basis via the Census* |
| | Mode share of journeys to school | *Local Transport Plan* |
| | Number of school travel plans | *Data available via Local Transport Plan* |
| | Railway station footfall | *Local Transport Plan – data collected by the Office of Road and Rail* |
| | Bus patronage as measured by the number of passengers boarding buses in Telford, using figures provided by operators | *Local Transport Plan and Bus Service Improvement Plan* |
| | Bus passenger satisfaction and perceptions, using results of a rolling survey administered by the Council | *Local Transport Plan and Bus Service Improvement Plan* |
| | Population travelling to work by car or van | *Local Plan – data collected on a 10-year basis via the Census* |
| Low emission vehicles | Proportion of buses that are Euro 5/V, Euro 6/VI, and ultra low emission vehicles (ULEV)[44] | *Data to be collected from bus operators where available* |
| | Proportion of Council fleet vehicles that are Euro 5/V, Euro 6/VI, and ultra low emission vehicles (ULEV)[45] | *Data to be collected from Council fleet where available* |
| | Ownership of electric vehicles | *Public Electric Vehicle Infrastructure Strategy – data obtained from DfT Vehicle Licensing* |
| Infrastructure | Number of publicly accessible EV charging points | *Public Electric Vehicle Infrastructure Strategy – data from Zap Map and National Charge Point Registry* |

[44] A definition of ULEVs is provided here: https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/fuel-consumption-guide/zero-and-ultra-low-emission-vehicles-ulevs/#topic-title
[45] A definition of ULEVs is provided here: https://www.vehicle-certification-agency.gov.uk/fuel-consumption-co2/fuel-consumption-guide/zero-and-ultra-low-emission-vehicles-ulevs/#topic-title

| 1.4 IMPLEMENTATION OF MEASURES (OTHER) | | |
|---|---|---|
| Education / awareness raising | Number of awareness raising messages provided by emissions source type | *To be recorded as implementation is rolled out* |

| 2 VULNERABLE GROUPS AND COMMUNITIES | | |
|---|---|---|
| Vulnerable groups and communities | Number and proportion of air quality monitoring locations within priority areas for vulnerable groups and communities | *Monitoring locations collated as part of ASR Defra Return. Tallied against map of priority areas.* |
| | Number of air quality measures implemented within priority areas for vulnerable groups and communities | *To be recorded as implementation is rolled out* |
| | Number of awareness raising messages provided to vulnerable groups and communities via public and targeted messaging | *To be recorded as implementation is rolled out.* |

| 3 CARBON CO-BENEFITS | | |
|---|---|---|
| Carbon co-benefits | Inclusion of air quality and carbon co-benefits within council documents and communications, e.g. Local Plan, Local Transport Plan, Carbon Neutral Plan, as well as the number of measures that are implemented throughout the borough to reduce emissions of both air pollutants and carbon across rural and urban settings. | *To be logged as work on the Plans progresses* |

# APPENDICES

# Appendix A: Policy and Legislation

## WHO Guidelines

*Table 2: WHO Recommended Air Quality Guidance levels and interim targets*[46]

| Pollutant | Averaging time | Interim target | | | | AQG level |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | |
| $PM_{2.5}$, µg/m³ | Annual | 35 | 25 | 15 | 10 | 5 |
| | 24-hour[a] | 75 | 50 | 37.5 | 25 | 15 |
| $PM_{10}$, µg/m³ | Annual | 70 | 50 | 30 | 20 | 15 |
| | 24-hour[a] | 150 | 100 | 75 | 50 | 45 |
| $O_3$, µg/m³ | Peak season[b] | 100 | 70 | – | – | 60 |
| | 8-hour[a] | 160 | 120 | – | – | 100 |
| $NO_2$, µg/m³ | Annual | 40 | 30 | 20 | – | 10 |
| | 24-hour[a] | 120 | 50 | – | – | 25 |
| $SO_2$, µg/m³ | 24-hour[a] | 125 | 50 | – | – | 40 |
| CO, mg/m³ | 24-hour[a] | 7 | – | – | – | 4 |

[a] 99th percentile (i.e. 3–4 exceedance days per year).
[b] Average of daily maximum 8-hour mean $O_3$ concentration in the six consecutive months with the highest six-month running-average $O_3$ concentration.

## National Planning Policy Framework[47]

Paragraph 109 refers to sustainable transport:

> *"The planning system should actively manage patterns of growth in support of these objectives. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. This can help to reduce congestion and emissions, and improve air quality and public health. However, opportunities to maximise sustainable transport solutions will vary between urban and rural areas, and this should be taken into account in both plan-making and decision-making."*

[46] WHO (2021) Air Quality Guideline Values: Global Update 2021. Available online at: https://apps.who.int/iris/handle/10665/345329. Accessed April 2022.
[47] Ministry of Housing, Communities and Local Government (2021) National Planning Policy Framework. Updated 20 July 2021. Available online at: https://www.gov.uk/government/publications/national-planning-policy-framework--2. Accessed April 2022.

Paragraph 186 considers impacts on local air quality:

> *"Planning policies and decisions should sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas. Opportunities to improve air quality or mitigate impacts should be identified, such as through traffic and travel management, and green infrastructure provision and enhancement. So far as possible these opportunities should be considered at the plan-making stage, to ensure a strategic approach and limit the need for issues to be reconsidered when determining individual applications. Planning decisions should ensure that any new development in Air Quality Management Areas and Clean Air Zones is consistent with the local air quality action plan."*

## Planning Practice Guidance: Air Quality[48]

Planning Practice Guidance (PPG) indicates at paragraph 005 that information relating to air quality could be important to decision makers, and when there are concerns about air quality, the local planning authority may want to know about:

- *"the 'baseline' local air quality;*
- *whether the proposed scheme could significantly change air quality during the construction and operational phases; and*
- *whether occupiers or users of the development could experience poor living conditions or health due to poor air quality."*

Paragraph 005 of this guidance also provides information on early engagement with the local planning and environmental health departments to establish the scope of any assessment. Guidance is also given on the level of detail required in an air quality assessment, and measures which could be employed to mitigate adverse effects.

[48] Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities and Local Government (2019) *Op. cit.*

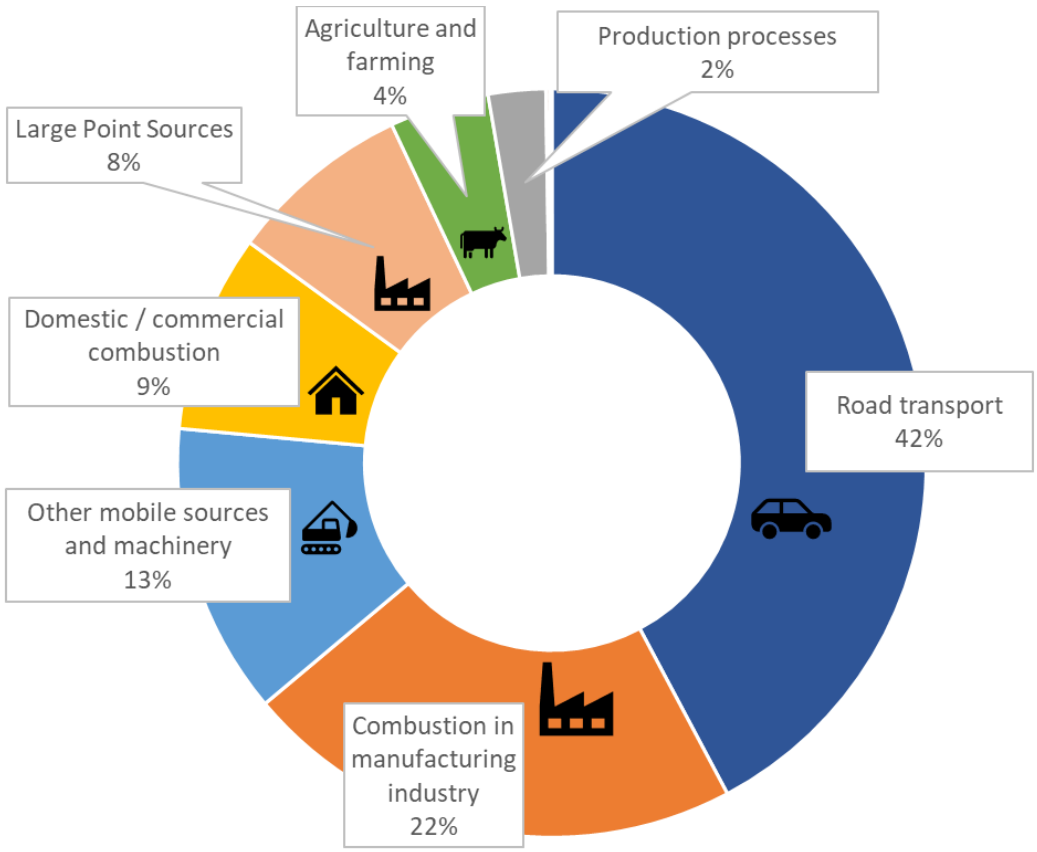
# Appendix B: Emissions Sources for Telford and Wrekin

Emissions sources for selected pollutants ($NO_x$ (as $NO_2$), $PM_{10}$, $PM_{2.5}$) from the most recent year (2019) from the National Atmospheric Emissions Inventory[49] (NAEI) are summarised below. Emissions have been downloaded for the Telford & Wrekin local authority area and are categorised by the United Nations Economic Commission for Europe (UNECE) Emissions Sectors Classification.

In 2019 the total emissions of $NO_x$ as $NO_2$ within Telford & Wrekin was 1803 t. The breakdown in emissions is presented in Figure 7. The sectors with the highest emissions were:

- Road transport (42%);
- Combustion in manufacturing industry (burning of fossil fuels as part of manufacturing) (22%); and
- Other mobile sources and machinery (13%).

***Figure 7: $NO_X$ as $NO_2$ Emissions within Telford & Wrekin2019 (NAEI)***

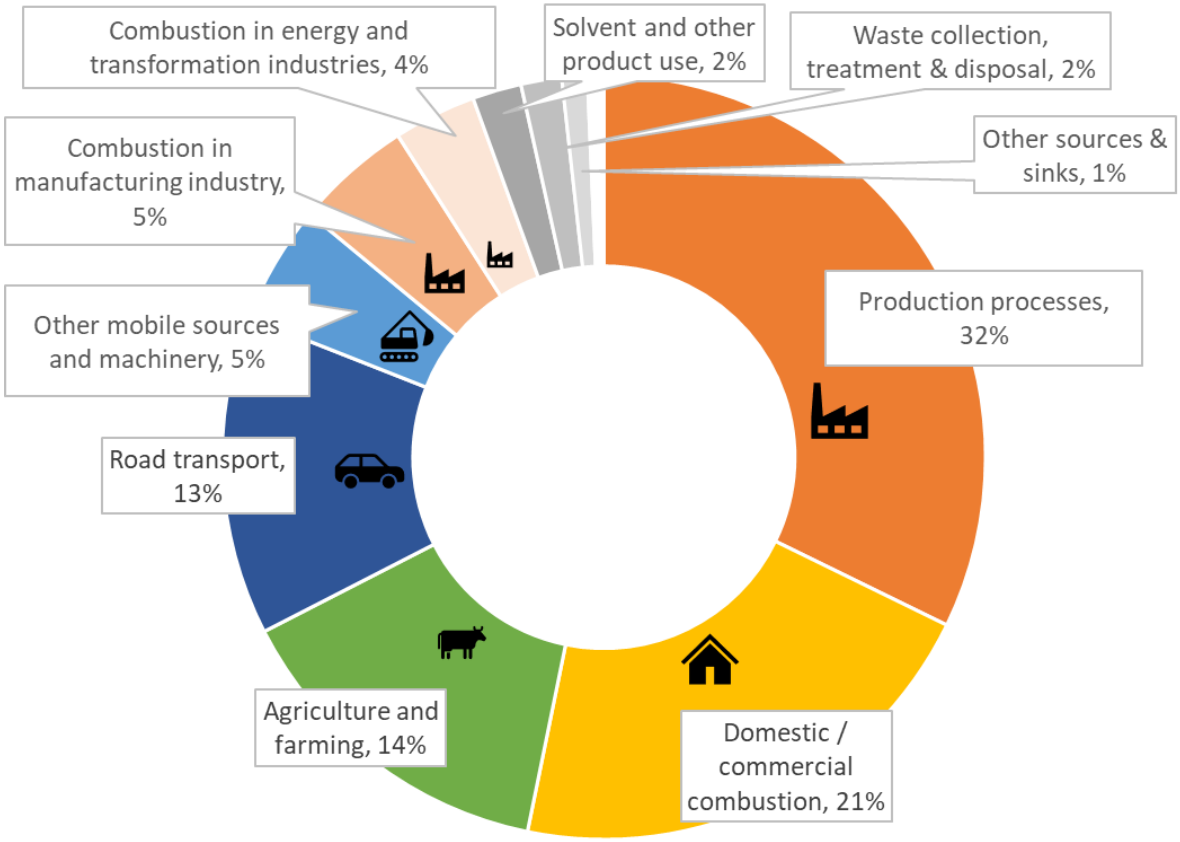



[49] NAEI, UK National Atmospheric Emissions Inventory for 2019 Interactive Map. *Op cit.*

In 2019 the total emissions of $PM_{10}$ within Telford & Wrekin was 439 t. The breakdown in emissions is presented in Figure 8. The sectors with the highest emissions were:

- Production processes (industrial) (32%);
- Domestic / commercial combustion (21%); and
- Agriculture and farming (14%).

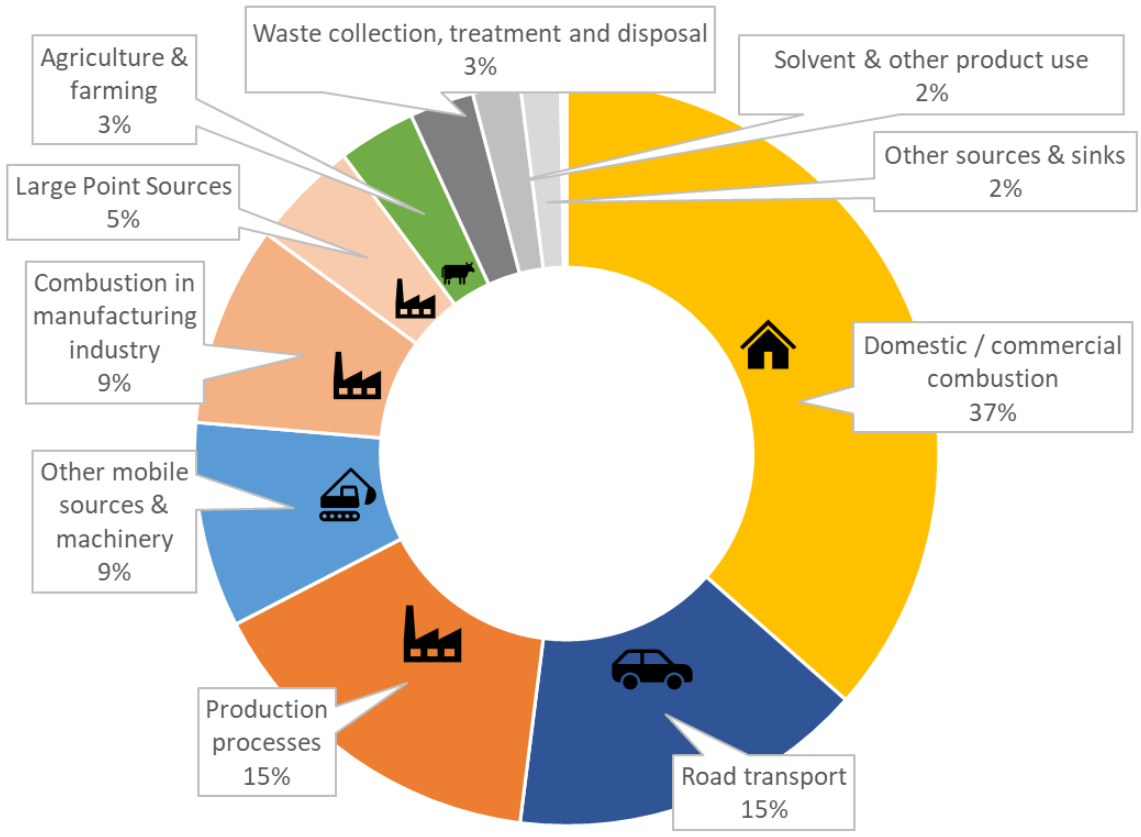
***Figure 8: $PM_{10}$ Emissions within Telford & Wrekin2019 (NAEI)***



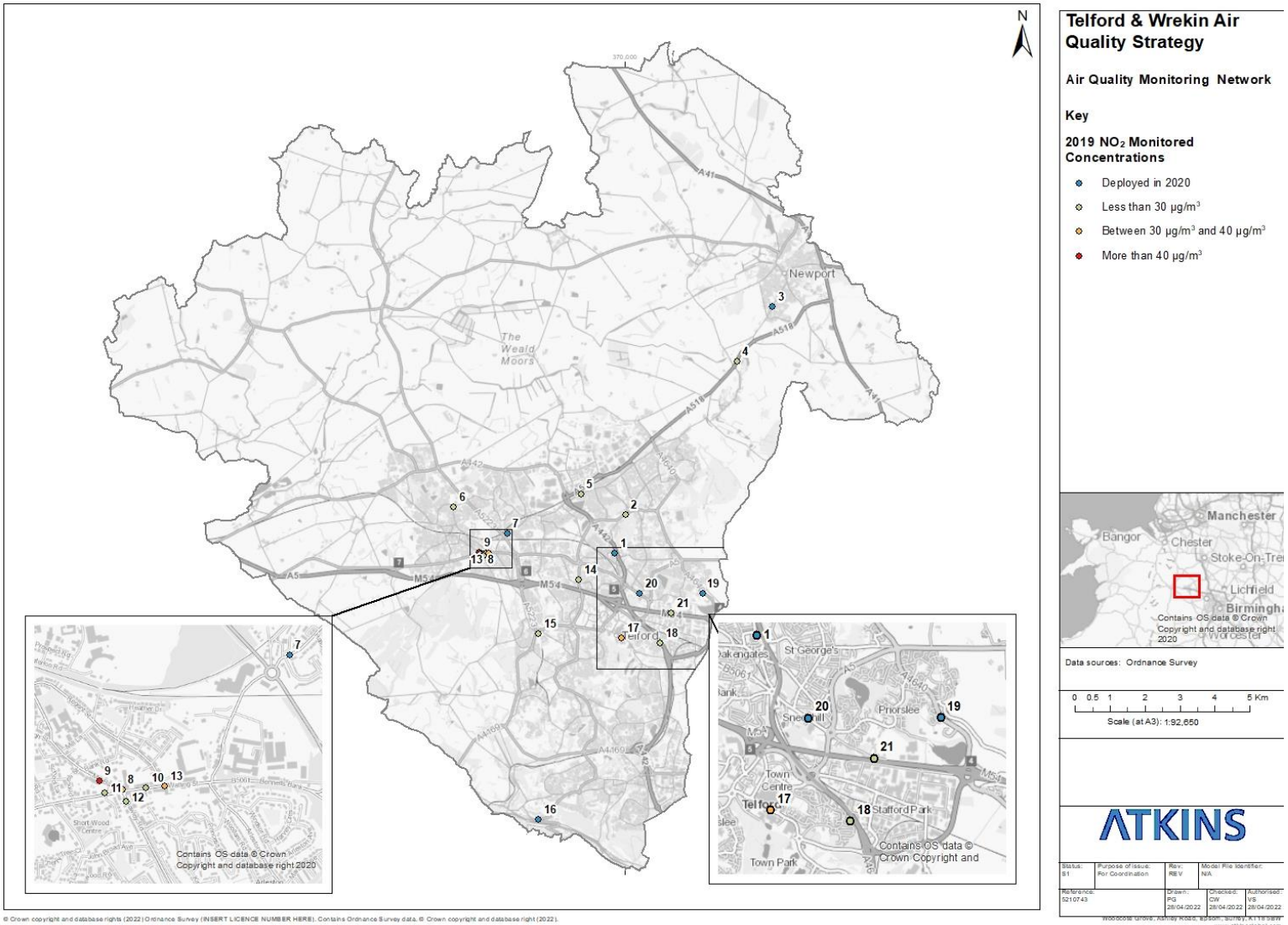
In 2019 the total emissions of $PM_{2.5}$ within Telford & Wrekin was 247 t. The breakdown in emissions is presented in Figure 9. The sectors with the highest emissions were:

- Non-industrial combustion plants (burning of fossil fuels in the domestic / commercial sector) (37%);
- Road transport (15%); and
- Production processes (15%).

***Figure 9: $PM_{2.5}$ Emissions within Telford & Wrekin2019 (NAEI)***



# Appendix C: Air Quality Monitoring



# Appendix D: Defra Background Concentrations

Defra[50] provides maps of background concentrations, which are a combination of measured and modelled data, for each one-kilometre grid square throughout the UK for a reference year of 2018 and future year estimates up to 2030. A summary of background concentrations for selected pollutants ($NO_X$, $NO_2$, $PM_{10}$, $PM_{2.5}$) within Telford & Wrekin is provided in Table 3. Total concentrations of $NO_2$ and $PM_{10}$ across Telford & Wrekin are presented in Figure 10 and Figure 11.

Concentrations are provided for sources both within the grid square as well as those which enter the grid square from outside. The categories include road transport, industry, domestic, aircraft, rail, other, point sources and a *rural* component comprising of regional sources for each one-kilometre grid square. For particulate matter, the additional sources include secondary aerosols, regional primary particles, dust from re-suspension of soils, sea salt and a residual component.

Background concentrations of $NO_x$ range between 6.1 – 22.0 µg/m$^3$ within Telford & Wrekinand their source apportionment is presented in Figure 12. The highest sources are Rural, i.e. regional sources (44%), Road (26%), and Industry (11%).

Background concentrations of $PM_{10}$ range between 10.9 – 14.7 µg/m$^3$ within Telford & Wrekinand their source apportionment is presented in Figure 13. The highest sources are for Residual & salt (50%) and PM secondary (41%).

Background concentrations of $PM_{2.5}$ range between 6.9 – 9.5 µg/m$^3$ within Telford & Wrekinand their source apportionment is presented in Figure 14. The highest sources are for PM secondary (60%) and Residual & salt (31%).

***Table 3: Defra mapped background concentrations (µg/m$^3$)***

| Telford & WrekinLocal Authority | 2018 (µg/m$^3$) | | | |
|---|---|---|---|---|
| | $NO_2$ | $NO_X$ | $PM_{10}$ | $PM_{2.5}$ |
| Max | 15.9 | 22.0 | 14.7 | 9.5 |
| Min | 4.8 | 6.1 | 10.9 | 6.9 |
| Average | 7.1 | 9.1 | 12.5 | 7.4 |

[50] Defra Background Mapping data for local authorities. Available online: https://uk-air.defra.gov.uk/data/laqm-background-home?msclkid=e626b778c61711ec91018edb043dfaa4. Accessed April 2022.

***Figure 10: 2018 Defra $NO_2$ Background Concentrations ($\mu g/m^3$)***

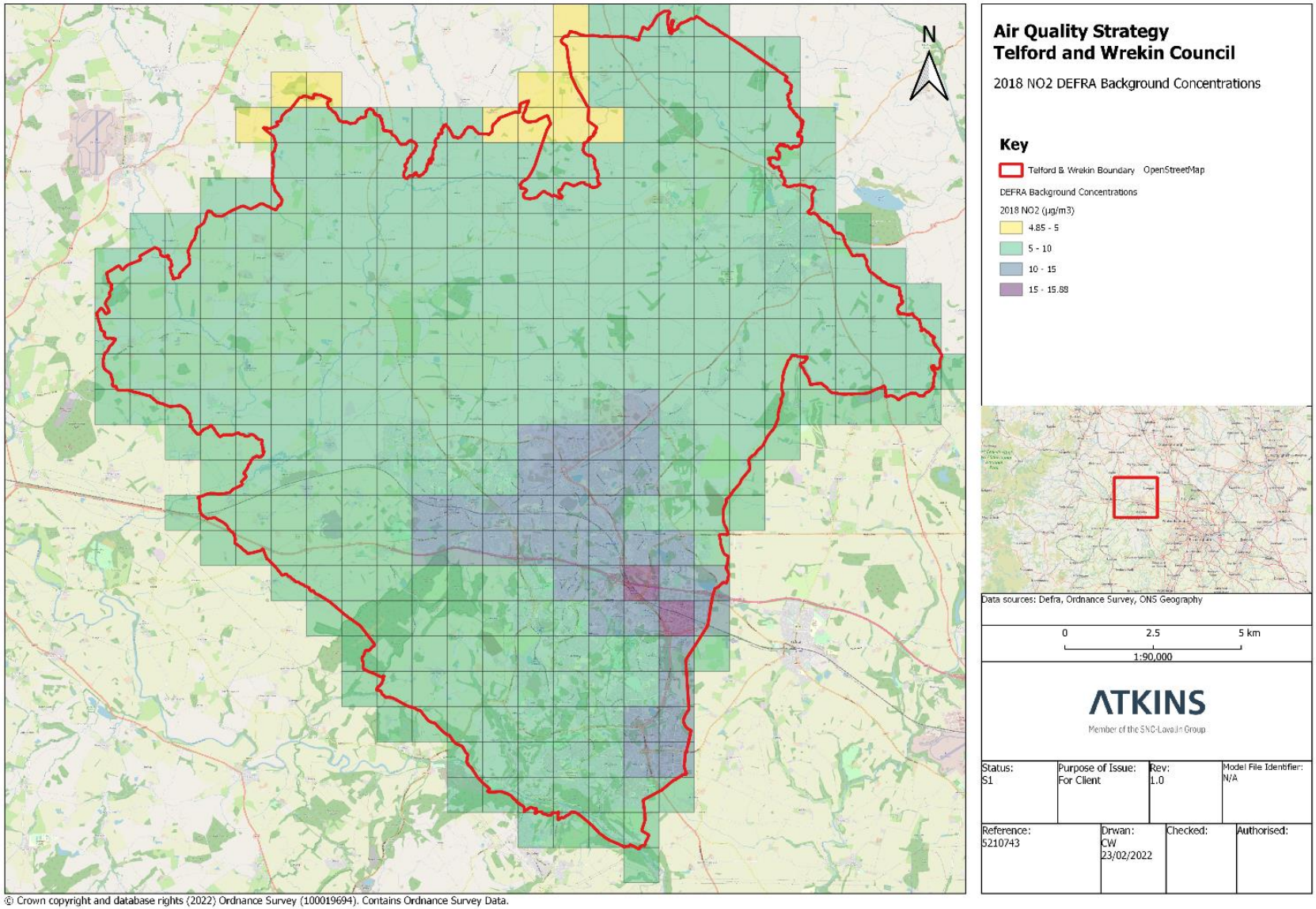


***Figure 11: 2018 Defra $PM_{10}$ Background Concentrations ($\mu g/m^3$)***

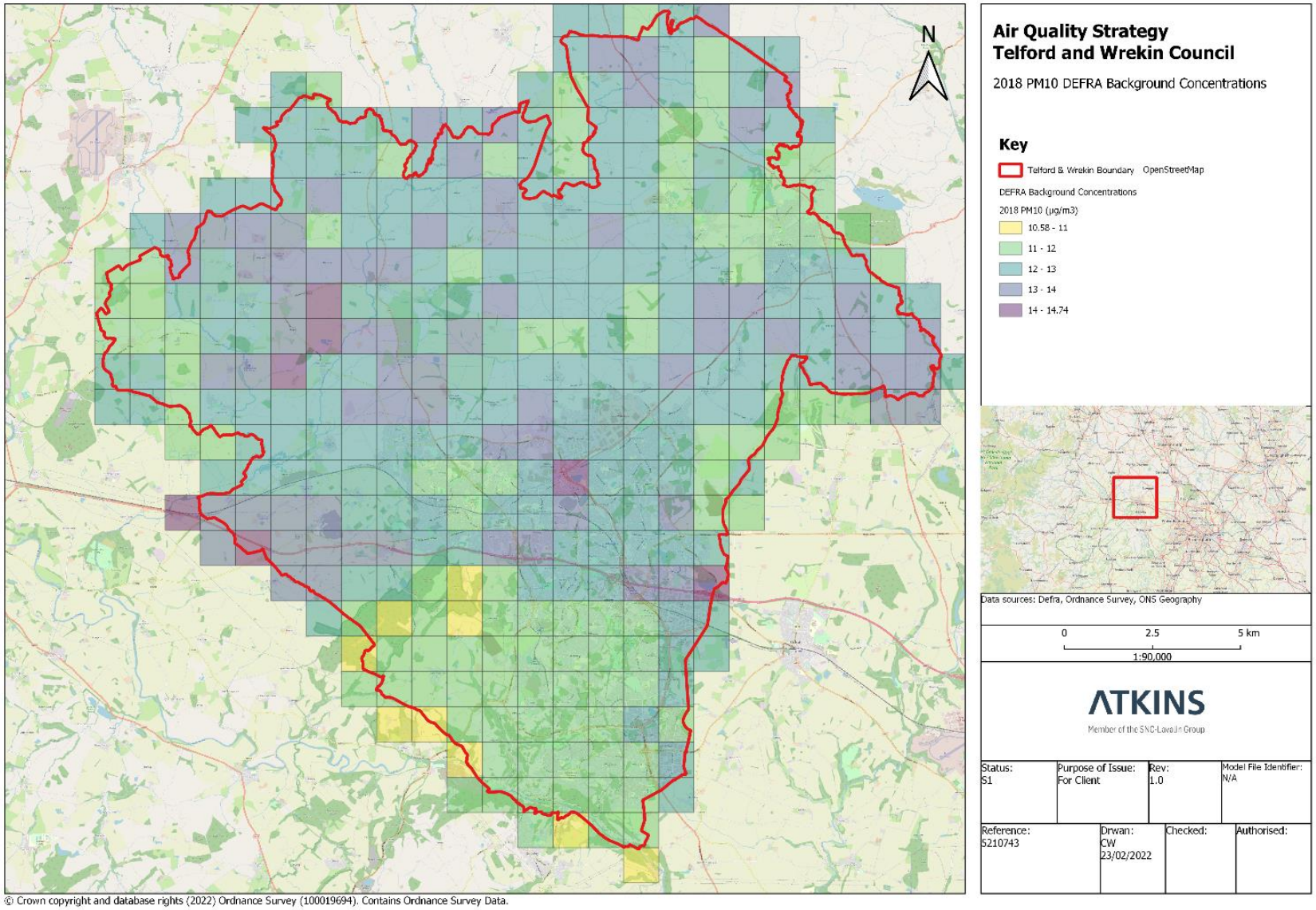


***Figure 12: Source Apportionment of NOx Background Concentrations within Telford & Wrekin2018 (Defra)***

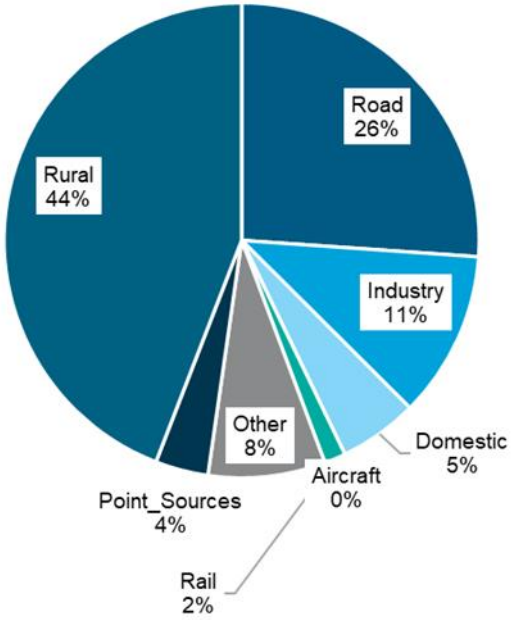



***Figure 13: Source Apportionment of $PM_{10}$ Background Concentrations within Telford & Wrekin2018 (Defra)***

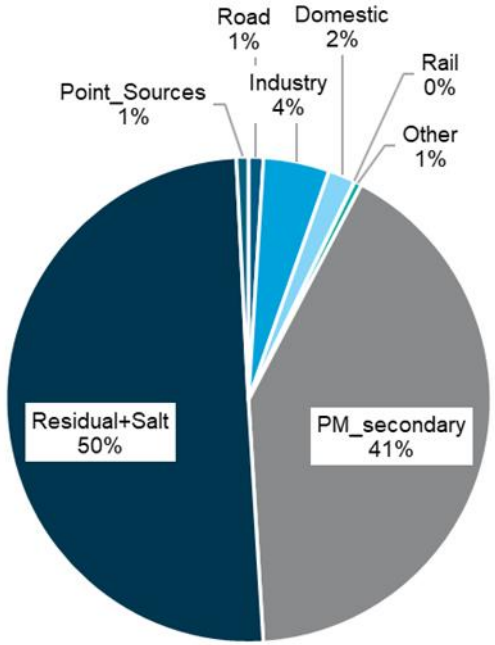
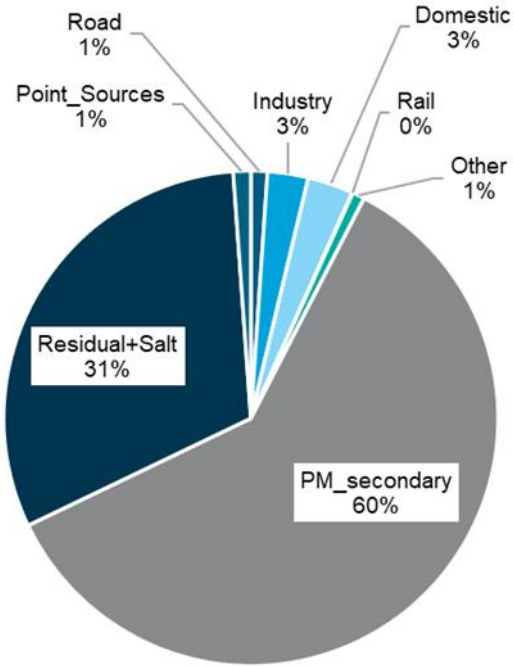



***Figure 14: Source Apportionment of $PM_{2.5}$ Background Concentrations within Telford & Wrekin2018 (Defra)***



# Appendix E: How to get involved

Individuals can take simple measures both to help to improve air quality, as well as reduce their exposure to pollutants. Any reduction in levels of exposure to particulate matter will lead to improvements in health benefits. There are simple and cost-effective things we can do now to improve air quality.

## Walk or cycle:

Research suggests that car drivers and passengers are exposed to significantly higher levels of air pollution compared to pedestrians and cyclists. Replacing a car journey by walking or cycling helps reduce traffic and traffic emissions and has health and mental health benefits. For example, walking, scooting, or cycling on school journeys could save money, improve your health and wellbeing whilst helping to reduce congestion and pollution in the local area. Try to choose routes which are not as heavily trafficked (e.g. through parks and lesser used streets) to reduce the pollution that you are exposed to.

Walking routes are provided here: www.telford.gov.uk/info/20465/walking.

General cycling information is available here:
https://www.telford.gov.uk/info/20464/cycling

The national cycling charity Sustrans also provides cycling information at:
www.sustrans.org.uk/.

## Take public transport or car share:

For longer journeys, try using public transport or car share. It can save money and reduce the impact on the environment.

Travel Telford provides information on travel choices:
www.telford.gov.uk/info/20461/Travel_telford.

Information on public transport is available here:
www.telford.gov.uk/info/20462/public_transport.

Local bus and rail information is available at: www.telfordpublictransport.co.uk/ and
www.telford.gov.uk/info/20174/public_transport/134/bus_services_and_timetables.

Information on the Ironbridge Park and Ride service is available at:
www.telford.gov.uk/info/20174/public_transport/129/ironbridge_park_and_ride.

You can also find national journey options at: www.nationalrail.co.uk/; and
www.traveline.info/.

## When using a car:

- Drive smoothly. You'll save fuel and reduce emissions. Slow down as you approach traffic jams and take your foot off the accelerator. Don't rev your engine unnecessarily.
- Stick to the speed limit. Very high speeds produce more emissions. At 70 mph a driver could be using up to 15% more fuel than at 50 mph.
- Turn off the engine when your car is stationary.
- Maintain your car. Ensure tyre pressures are correct – lower tyre pressure increases fuel use and emissions.
- Consider whether you need to use air conditioning – using it increases fuel consumption by up to 30%.
- Remove unnecessary clutter from your boot to reduce engine workload.
- Further tips are available at: https://energysavingtrust.org.uk/advice/efficient-driving/.

## Go electric

If you need to buy a car, consider its fuel economy and emissions – ultra-low emission vehicles (hybrid and electric vehicles) consume less fuel and produce fewer emissions. Whilst initial purchase costs for electric and hybrid cars may be higher, the running costs are lower. Government grants are available to help with the purchase of some low emission vehicles: www.gov.uk/plug-in-car-van-grants/eligibility.

Maps of charging points are available at various websites, including: www.zap-map.com/ and www.carwow.co.uk/electric-cars/charging-points.

## Think about how you heat your home:

If you have an open fire, or wood-burning stove, consider how you are using it, and whether you can take steps to reduce emissions. Appliances should be kept in good working order to ensure that they are working efficiently.

Parts of Telford & Wrekinare within 'smoke control areas', where you cannot emit smoke from a chimney unless you are burning an authorised fuel or using an exempt appliance. Check whether you are in a smoke control zone here: www.telford.gov.uk/info/20358/pollution/1038/smoke_control_zones.

Further information on suitable fuels and exempt appliances can be found at www.gov.uk/smoke-control-area-rules.

Defra has produced a wood-burning guide providing advice on how to reduce emissions whilst saving money on fuel and maintenance costs: https://uk-air.defra.gov.uk/assets/documents/reports/cat09/1901291307_Ready_to_Burn_Web.pdf.

Ensure that boilers are serviced regularly and kept in good working order. If a boiler needs to be replaced then purchase one that has a low nitrogen oxide emission rating, or consider an electric boiler or heat pump instead. Consider insulation and make your house more energy efficient so that you need to use your boiler less to heat your home.

## Outdoor burning

Do not have garden bonfires. Compost all garden waste and recycle rubbish rather than burn it. Information on Garden Waste Collection is available at: www.telford.gov.uk/directory_record/1662/garden_waste

## Be aware of your own exposure

Daily national air quality updates, pollution forecasts and advice about how to protect yourself from the impacts of poor air quality can be found at: https://uk-air.defra.gov.uk/.

- Particulate levels vary over very short distances: in general, the closer you are to the sources, the more you breathe in.
- Walk on the inside of the pavement. The further you are from the traffic, the lower the pollution levels are.
- If you're walking or cycling you can easily avoid the worst pollution by travelling along quieter streets.
- The health benefits of physical activity (walking or cycling) outweigh the risks from air pollution. If you're in a vehicle, you are still exposed to air pollution.
- If you are burning wood in an open fire, make sure it's well seasoned (less than 20% moisture content) quality fuel as this will reduce the particulate emissions, or use a smokeless fuel.
- If the air quality forecast is poor, where possible, avoid the affected areas. If this is too difficult, stay indoors and keep your windows closed.
- Avoid strenuous activity when pollution is high.
- If you have respiratory conditions and need to travel on high pollution days, try to travel outside of rush hours, avoid congested areas, where you may get stuck in traffic jams, and keep your windows closed.

# Appendix F: Interactions between Carbon and Air Quality

As local authorities work to reduce carbon, in line with Net Zero ambitions, there are opportunities to capitalise on co-benefits for air quality at the same time[51]. Key interactions are listed in Table 4 below for those measures which result in a positive outcome for both air quality and carbon (win wins), as well as those measures which although positive for carbon, may result in a negative outcome for air quality (challenges).

***Table 4: Key interactions between air quality and carbon – win-wins and challenges***

| Emissions source | Win-wins (positive air quality and carbon outcomes) | Challenges (positive carbon outcomes, but potentially negative air quality impacts) |
|---|---|---|
| **Transport** | **Transport modal shift:** Promoting a shift away from private cars towards public transport, walking and cycling and reducing freight mileage as part of wider sustainable transport planning delivers reductions in greenhouse gases as well as primary air pollutants. It also delivers health benefits associated with more active lifestyles, and economic benefits with increased footfall for local businesses.<br>**Electrification** of public transport, although noting continued impact on fine particulates due to emissions from tyre and brake wear. Modifications from vehicle manufacturers could help to address this, e.g. research into low emission tyres[52].<br>**Street design changes** to encourage smoother driving and encourage more walking and cycling. | **Road vehicle choices:** Switching to electric vehicles is beneficial for carbon (depending on energy sources for the national grid). It also removes tailpipe emissions of local air pollutants. However, electric vehicles continue to produce particulates through brake and tyre wear, often in higher quantities than petrol/diesel vehicles due to their weight and the use of regenerative braking. Transport electrification also fails to optimise health and economic benefits. |
| **Energy and buildings** | **Heat demand reduction and decarbonisation with renewable energy:** Measures to reduce demand | **Indoor air quality:** Improving 'air tightness' saves energy and therefore reduces greenhouse gas emissions. However, it can exacerbate poor |

[51] Bristow, S., Dowson, F. and Barrass, K. (2022) Yes we CANZ! Local leaders delivering Clean Air and Net Zero. Available online at: https://www.uk100.org/sites/default/files/2022-06/YES%20WE%20CANZ%20%7C%20Clean%20Air%20Net%20Zero%20%7C%20UK100.pdf. Accessed June 2022.
[52] ENSO, Sustainable low emission tyres for improved air quality. Available online at: https://gtr.ukri.org/projects?ref=971646. Accessed June 2022.

| Emissions source | Win-wins (positive air quality and carbon outcomes) | Challenges (positive carbon outcomes, but potentially negative air quality impacts) |
|---|---|---|
| | for heating through insulation and energy efficiency, as well as use of renewable energy systems delivers reductions in greenhouse gases, improvements in air quality. They would also deliver co-benefits such as reduced fuel poverty and green jobs. | indoor air quality. Conversely, ventilation systems to improve air quality can increase energy use. |
| | | **Combustion of 'low carbon fuels':** Burning biomass in stoves, boilers and district heating systems, and hydrogen in boilers can be positive in terms of carbon (depending on how the fuel is produced and distributed) but potential negative impacts on air quality. |
| **Agriculture** | **Better management of nitrogen in agricultural systems**: Changes to agricultural management practices can result in reduced emissions of ammonia (a major precursor of particulate pollutants) and greenhouse gases (particularly nitrous oxide). | |
| **Data provision** | **Providing better data:** For air quality, this helps to empower local communicates to make personal choices to reduce their exposure to air pollution. Data and information on greenhouse gas emissions can also increase community awareness and support for carbon reduction measures. | |

More aligned action on air quality and carbon reductions can also bring the following overarching benefits:

- **Health and wellbeing improvements:** clean air, active travel, well insulated homes and improved public spaces;
- **Economic benefits:** reduced local authority and healthcare costs, improved workplace productivity and employment;
- **'Levelling-up' contributions:** reducing health inequalities and increased green job opportunities;
- **Outreach and communications:** engaging communities on health and economic benefits.

It is also important to note the impact of the timing of implementation of measures that have positive outcomes for both carbon and air quality. Actions taken in the short term have greater health benefits, as well as reducing the overall carbon load of the atmosphere.

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